



23 February 2011

Dear Shareholder,

Mineral Resources Limited ("Mineral Resources") is pleased to announce that it is introducing a Dividend Reinvestment Plan ("DRP") that will be available for shareholders immediately.

On behalf of the Board, I am pleased to invite you to participate in the DRP. The DRP provides you with the option of receiving some or all of your dividends as fully paid ordinary shares in Mineral Resources, instead of cash.

Features of the DRP:

- A simple and convenient way of automatically receiving additional Mineral Resources shares as an alternative to receiving dividends.
- Shares allocated under the DRP rank equally with existing ordinary shares.
- You do not have to appoint a stockbroker or pay fees, brokerage, goods and services tax or other transaction costs for shares allocated under the DRP.
- Participation is voluntary.
- You can elect all, part or none of your dividend in the DRP.
- You can join, vary or cease your participation in the DRP at any time.
- DRP statements are sent to shareholders shortly after the payment date of each dividend.

Enclosed with this letter is a booklet containing the terms and conditions to help you understand the operation of the DRP. Should you decide that you would like to participate in the DRP; our preference is that you complete an Online Application, which can be made at:

www.investorcentre.com/au and clicking on "Update My Details"

Alternatively, you may apply to participate in the DRP using the enclosed Application Form.

To participate in the DRP in relation to the 2011 interim dividend, you will need to complete an Online Application or complete and return the Application Form to the Share Registry by 5 pm (Eastern Standard Time) on the Record Date of 17 March 2011. The dividend will be paid and shares under the DRP will be issued on 7 April 2011. If you decide not to participate in the DRP, you do not need to take any further action and will continue to receive your Mineral Resources dividends in cash.

Mineral Resources will usually announce the pricing period and any discount applicable to the DRP at or around the same time it announces the dividend. In relation to the 2011 interim dividend, the purchase price of ordinary shares to be allocated to each participant in the DRP will be the daily volume weighted average price of all ordinary shares sold on the ASX during the 5 trading days immediately following the record date.

I encourage you to read the enclosed information carefully and consider obtaining your own independent advice (including tax advice) before deciding whether to participate in Mineral Resources Dividend Reinvestment Plan. Full details of how to participate are set out in the attached booklet.

On behalf of the Board, I thank you for your continued support as a Mineral Resources shareholder.

Yours faithfully,
Peter Wade
Chairman



Dividend Reinvestment Plan Terms and Conditions

The following are the terms and conditions applicable to the Mineral Resources Dividend Reinvestment Plan.

1. Participation in the Plan

Participation is optional.

Participation is open to all holders of any Mineral Resources Limited ("Mineral Resources") shares listed for quotation on the official lists of ASX Limited ("Shares"), except such holders whose address (as it appears in the Mineral Resources register) is a country whose regulations make it impracticable in the opinion of the directors for the Plan to be offered to them. (Note: The directors have resolved that it is impracticable for participation in the Plan to be offered to holders whose addresses are in countries other than Australia or New Zealand.)

Participation may, subject to any restrictions in these terms and conditions, be varied or terminated by a Plan participant at any time.

2. Applications to Participate

Applications to participate in the Plan are made on the appropriate form signed by the applicant.

Each application received by Mineral Resources is effective for:

- (i) the first dividend payable after receipt of the application; and
- (ii) all subsequent dividends until the earlier of termination of the participant's participation in the Plan or termination of the Plan,

3. Degree of Participation

Participation in the Plan in respect of dividends on Shares may be either full or partial.

FULL PARTICIPATION results when Mineral Resources accepts an application by a shareholder for the whole of that shareholder's shareholding from time to time to be subject to the Plan. Under full participation, the provisions of the Plan apply to all cash dividends payable on all the participant's registered shareholding at the relevant record date.

PARTIAL PARTICIPATION results when Mineral Resources accepts an application by a shareholder for less than all of that shareholder's shareholding from time to time to be subject to the Plan. Under partial participation, the provisions of the Plan apply to all cash dividends payable on the relevant percentage or number of the participant's Shares subject to the Plan. However, if the provisions of the Plan apply to the cash dividends payable on a number of a partial participant's Shares and on the relevant record date the number of Shares held by the partial participant is less than that number, the provisions of the Plan will, in respect of that dividend, apply only to such lesser number of Shares.

Applications in respect of a shareholder's shareholding which are duly signed but which do not indicate the degree of participation selected may be deemed by Mineral Resources to be applications for full participation.

4. Operation of the Plan

Each cash dividend which is payable to a participant in respect of Shares which are the subject of the Plan and which is available for payment to the participant will upon payment be used to acquire (by issue or transfer) additional Mineral Resources fully paid ordinary shares ("Ordinary Shares").

In respect of each cash dividend payable to a participant, Mineral Resources will for and on behalf of that participant:

- (a) determine the amount of the cash dividend payable in respect of the Shares of that participant which are the subject of the Plan and any withholding tax payable in respect of such dividend;
- (b) credit the amount of the dividend (less withholding tax, if applicable) to the participant's Plan account;
- (c) determine the maximum number of Ordinary Shares priced in accordance with the provisions of the Plan which could be acquired under the Plan (rounded down to the nearest whole number) using the amount of the dividend and any cash balance then in the participant's Plan account;
- (d) either (in the absolute discretion of the directors):
 - (i) issue that number of additional Ordinary Shares determined in accordance with (c) above to the participant and debit the participant's Plan account with the allocation price for those Ordinary Shares;
 - (ii) cause that number of Ordinary Shares determined in accordance with (c) above to be acquired in the market (in the manner the directors consider appropriate) for transfer to the participant, and for each Ordinary Share allocated, debit the participant's Plan account with the allocation price for those Ordinary Shares; or
 - (iii) any combination of (i) and (ii) above; and
- (e) retain in the participant's Plan account any cash balance remaining (without accruing interest).

In respect of each participant in the Plan, Mineral Resources will establish and maintain a Plan account.

The price of Ordinary Shares to be allocated under the Plan (the "allocation price") will be the daily volume weighted average price of all Ordinary Shares sold on the Australian Securities Exchange in the relevant calculation period (but excluding any trades the directors in their absolute discretion consider do not reflect normal supply and demand), less any discount determined by Mineral Resources from time to time. Notification of the calculation period and the discount determined by Mineral Resources will be by announcement to ASX Limited.

In these Terms and Conditions "calculation period" means a period of not less than five consecutive trading days as determined by the directors from time to time in their absolute discretion.

5. Ordinary Shares to be Allocated under the Plan

Ordinary Shares to be allocated under the Plan will be allocated on the dividend payment date.

Ordinary Shares allocated under the Plan will from the date of registration rank equally in all respects with all other issued Ordinary Shares.

Ordinary Shares allocated under the Plan will be registered in the participant's holding and details of the Ordinary Shares will appear on the participant's routine transaction statement issued at the end of the month following the allocation.

6. Costs to Participants

No brokerage, commissions, stamp duty or other transaction costs are payable by participants in respect of the application for, and allocation of, Ordinary Shares under the Plan. However, participants will be required to pay any income tax or withholding tax payable in respect of the receipt of dividends or interest or in respect of the allocation of Ordinary Shares under the Plan.

7. Statement to Participants

Mineral Resources will send to each participant holding Shares which are the subject of the Plan a statement as at each dividend payment date, giving details of the participant's participation in the Plan.

8. Variation to Participation

A participant may vary his or her participation in the Plan by completing an Online Application at <https://www-au.computershare.com/Investor/UpdateMyDetailsLanding.asp> or by contacting Mineral Resources' Share Registry, Computershare Investor Services on 1300 558 062.

A partial participant may at any time apply to become a full participant and a full participant may at any time apply to become a partial participant.

(Note: Where a partial participant has nominated a percentage of his or her shareholding to participate in the Plan and he or she acquires or disposes of Shares, the number of the participant's Shares subject to the Plan will be adjusted accordingly, i.e. to maintain the nominated percentage of participation.)

9. Termination of Participation

A full or partial participant may at any time give Mineral Resources notice of termination of participation in the Plan.

Notice of termination of participation will be effective in respect of the first record date after the date of receipt by Mineral Resources of the notice.

If a participant dies, participation by that participant and any other participant with whom the deceased was a joint participant will be terminated upon receipt by Mineral Resources of notice of the death of the deceased participant.

Where a participant disposes of all the participant's Shares without giving Mineral Resources notice of termination of participation and is not registered as the holder of Shares at the next record date, the participant will be deemed to have terminated participation on that record date.

If there is a balance in a participant's Plan account at a record date and the participant has terminated or is deemed to have terminated participation in the Plan, the balance in the participant's Plan account will be paid to the participant.

10. Applications and Notices

Mineral Resources may, in its discretion, give any notice under this Plan to holders of Shares by means of:

- (i) notice in writing in accordance with Mineral Resources' constitution; or
- (ii) an announcement to ASX Limited.

Notices by means of an announcement to ASX Limited will be deemed to have been received by all holders of Shares on the date the announcement is made.

Applications and notices to Mineral Resources shall be in writing or such other form as Mineral Resources may from time to time require.

Such applications and notices will be effective on receipt by Mineral Resources subject to:

- (i) these terms and conditions;
- (ii) in the case of applications, acceptance by Mineral Resources; and
- (iii) receipt by Mineral Resources before the relevant record date.

Applications or notices received after such record date will be effective in respect of the next relevant record date.

11. Stock Exchange Listing

Application will be made by Mineral Resources promptly after issue of Ordinary Shares under the Plan to be listed for quotation on the official lists of ASX Limited.

12. Modification and Termination of the Plan

The Plan may be modified by Mineral Resources at any time on giving one month's notice to holders of Shares and each agreement between Mineral Resources and a participant under the Plan shall be modified as necessary by such notice.

The Plan and each agreement between Mineral Resources and the participant under the Plan may be terminated by Mineral Resources at any time upon giving two month's notice to holders of Shares in which event Mineral Resources will send to the participants the statements to be sent to participants upon termination of participation and any balance in the participant's Plan account.



The non-receipt of any notice under the Plan by the holder of any Shares or the accidental omission to give notice of modification or termination of the Plan shall not invalidate such modification or termination.

The provisions of the Plan will not apply to dividends on Shares which are the subject of the Plan where, by its Constitution or otherwise, Mineral Resources is entitled to and does retain or deal with all or part of such dividends.

13. Waiver of strict compliance

Mineral Resources reserves the discretion to waive strict compliance with any provisions of these terms and conditions.

14. Suspension of Plan

All or any part of the Plan may be suspended or recommenced from time to time and for such periods as Mineral Resources may in its discretion determine by giving one month's notice to holders of Shares. Any applications for participation in the Plan will automatically be suspended during a suspension of the Plan and reinstated upon reinstatement of the Plan. On suspension of the Plan Mineral Resources may in its discretion, retain any balances in participants' Plan accounts until the Plan is reinstated, or distribute those balances to participants.