



Mineral Resources Limited

ABN 33 118 549 910

FIRST SUPPLEMENTARY BIDDER'S STATEMENT

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

1. INTRODUCTION

This document is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) by Mineral Resources Limited (**MRL**) dated 2 October 2009 under section 643 of the Corporations Act in relation to the off-market takeover offers by MRL to acquire all of the issued shares and options in Polaris Metals NL (**Polaris**) as set out in MRL's bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 17 September 2009 (**Original Bidder's Statement**).

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

A copy of this First Supplementary Bidder's Statement was lodged with the ASIC on 2 October 2009. Neither the ASIC nor any of its officers takes any responsibility for the contents of this First Supplementary Bidder's Statement.

This First Supplementary Bidder's Statement supplements, and must be read together with, the Original Bidder's Statement.

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

2. HERON ACCEPTANCE

On 30 September 2009, Heron Resources Limited (ACN 068 263 098) (**Heron**) accepted the Share Offer in relation to 34,982,651 Polaris Shares (being 19.9% of Polaris Shares) in accordance with the Pre-bid Acceptance Agreement between MRL and Heron.

3. AGREEMENT WITH SANDFIRE RESOURCES NL FOR BORROLOOLA MANGANESE PROJECT

As announced to the ASX on 30 September 2009, MRL and Sandfire Resources NL (ACN 105 154 185) (**Sandfire**) have entered into an agreement under which MRL has acquired the exclusive rights to 100% of the manganese ore located on the highly prospective Borroloola Manganese Project, which covers an area greater than 10,000km² in the Northern Territory within the same geological sequence as the Groote Eylandt manganese deposits mined by BHP Billiton.

Sandfire will maintain 100% ownership of the tenements and 100% of the rights to any other commodities located on the tenements.



The agreement provides for MRL to initially fund the cost of all exploration and development prior to a decision to commence full scale operations. Subsequently, mining, processing, transport and shipping of manganese ore will be undertaken by MRL after all necessary approvals have been obtained, and MRL will be responsible to fund all capital and operating costs for this operation. These costs, incurred by MRL as part of the project, will be fully reimbursed from the revenue from the future sale of manganese products. The profits (before interest and tax) will then be distributed 70% to MRL while Sandfire will receive 30%.

The Agreement also provides full accommodation of Sandfire's agreement with Korean steel maker POSCO by granting Posco Australia Pty Ltd the right to buy 30% of all manganese produced from any operation on the Borrooloola Manganese Project.

4. FARM IN AGREEMENT TO TALGA PEAK IRON ORE RIGHTS

As announced to the ASX on 1 October 2009, MRL has executed a farm in agreement with Mining Projects Group Limited (ACN 006 189 331) (**Mining Projects**) and Oakover Gold Pty Ltd (ACN 109 304 4859 (**Oakover**) under which MRL has agreed to acquire the rights to all iron ore mineralisation on the Talga Peak tenements, located approximately 180 kilometres southeast of Port Hedland.

Under the Agreement, MRL will complete an operational review to more definitively establish the quantum and grade of any iron ore mineralisation within the tenements and will begin to assess possible site operations and processing scenarios upon exploration activities providing expected quality and quantity outcomes. MRL will be responsible for the costs of exploration and tenement development during this review.

If the feasibility review confirms the presence of commercially viable iron ore deposits, MRL has the right to acquire 100% of the iron ore situated on the tenements and subsequently undertake all operations to win and own products. Mining Projects and Oakover will receive a royalty for each tonne of iron ore removed from the tenements.

5. APPROVAL OF THE FIRST SUPPLEMENTARY BIDDER'S STATEMENT

This First Supplementary Bidder's Statement has been approved unanimously by a resolution passed by all of the directors of MRL on 2 October 2009.

Signed for and on behalf of

Mineral Resources Limited

Mr Peter Wade
Managing Director