



Mineral Resources Limited

ACN 118 549 910

23 November 2009

Company Announcements Office
ASX Limited
Exchange Centre
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sir / Madam,

Mineral Resources Limited to extend Share Offer Period and increase Share Offer consideration for Polaris Metals NL (ASX:POL)

The Board of Mineral Resources Limited (**MRL**) (ASX:MIN) has today resolved to:

- **extend the period of its Share Offer** for all of the Shares in Polaris Metals NL (**Polaris**) by 2 weeks so that the Share Offer will now close at 5.00pm (WST/Perth time) on 9 December 2009 (unless further extended or withdrawn);
- **increase the consideration** under its Share Offer for all of Polaris' Shares by increasing the cash offered. MRL will now be offering one (1) MRL Share for every 10 Polaris Shares held **plus 10 cents cash for every one (1) Polaris Share held**;
- **accelerate the issue of MRL Shares and payment of cash under the Share Offer** to accepting Polaris Shareholders to 5 business days after the date of acceptance, subject to the terms of the Share Offer and the *Corporations Act 2001*; and
- apply to ASIC to approve an **increase in the consideration under its Option Offer** for all of Polaris' Options. Subject to ASIC's approval (which may or may not be provided) on terms acceptable to MRL, MRL intends to decrease the exercise price of each MRL Option offered as consideration under the Share Offer by \$1.00 per MRL Option or, alternatively, offer a cash payment of \$1.00 per MRL Option. This equates to a reduction in the exercise price of Polaris Options of 10 cents for every Polaris Option held.

The increased Share Offer values your Polaris Shares at **81.3 cents per Share** (based on the closing price of MRL Shares on ASX of \$7.13 on 20 November 2009, the last trading day prior to this announcement). This is:

- **a 171% premium** to the 30 cents closing price of Polaris Shares on 14 August 2009 (the trading day prior to announcement of the Share Offer);
- **a 201% premium** over the 1 month volume weighted average closing price for Polaris Shares to 14th August 2009;
- **a 225% premium** over the 3 month volume weighted average closing price for Polaris Shares to 14th August 2009; and

- **a 16% premium to the 70 cents per Share to be offered by Lion Asia Resources Pte Ltd (Lion)** under its takeover offer for Polaris Shares¹.

MRL will be releasing as soon as is practicable the formal documents required to give effect to the above changes to its Share Offer, including:

- a formal Notice of Variation of Takeover Offers; and
- a Fifth Supplementary Bidder's Statement relating to the above changes to its Share Offer.

MRL now has a relevant interest in 32.04% of Polaris Shares (as of 20 November 2009, the last trading before this announcement).

MRL urges Polaris Shareholders to accept MRL's unconditional Share Offer now and take advantage of the accelerated payment terms to become an MRL Shareholder.

Polaris Shareholders who accept the MRL Share Offer will:

- have an investment in MRL, a premium, Australian mineral processing and contracting business included in the S&P/ASX 300 index;
- have the opportunity to receive regular dividends from MRL which traditionally has paid fully franked dividends twice yearly and has recorded both earning per share and net tangible asset backing per share growth each year since its listing; and
- continue to have an interest in the development of the Polaris iron ore assets with the backing of a company that has both significant financial resources and also significant expertise in the Australian mining sector.

MRL notes that Lion released its bidder's statement for its proposed offer for Polaris Shares and Options on Friday 13 November 2009.

The Polaris board announced on 12 November 2009 that it considers MRL's Share Offer to be superior to Lion's proposed offer of 70 cents per Polaris Share and recommends that Polaris Shareholders **REJECT the Lion Offer** and **ACCEPT the MRL Share Offer** in the absence of a superior proposal.

For the purposes of ASX Listing Rule 3.2, MRL confirms that in respect of the Share Offer:

- (a) at the date of the Offer, MRL (together with its associates) had a relevant interest in 19.9% of Polaris' ordinary shares;
- (b) at the date of this Offer extension, MRL (together with its associates) has a relevant interest in 32.04% of Polaris' ordinary shares.

Yours Sincerely,



Bruce Goulds
Company Secretary

¹ Based on the closing price of MRL Shares on ASX of \$7.30 on 20 November 2009, the completed trading day prior to announcement of the increase.