



Mineral Resources Limited



22 March 2010

**MINERAL RESOURCES LIMITED ANNOUNCES TAKEOVER BID
FOR MESA MINERALS LIMITED**

Mineral Resources Limited (**MRL**) and Mesa Minerals Limited (**Mesa**) wish to announce that MRL intends to make a recommended off-market takeover bid (**Takeover Offer**) to acquire all of the issued shares in Mesa.

The Takeover Offer is **one (1) MRL Share for every 70.6 Mesa Shares**.

The Takeover Offer values each Mesa Share at \$0.1025, based on the last traded price of MRL Shares on the ASX on 19 March 2010 of \$7.24. This represents a 65% premium to the 30 day volume weighted average price of Mesa Shares on the ASX to 17 March 2010 of \$0.062.

MRL and Mesa have entered into a letter agreement in relation to the Takeover Offer under which the directors of Mesa have unanimously recommended the Takeover Offer and advised that they intend to accept the Takeover Offer in relation to the Mesa Shares held or controlled by them¹.

The Offer is conditional on either the withdrawal of all the resolutions to be considered at the extraordinary general meeting scheduled for 26th March 2010 or all of those resolutions being defeated at the meeting. Other conditions are set out in Annexure A of this announcement.

Highlights

The Takeover Offer provides valuable opportunities for both MRL and Mesa shareholders, in particular via the combination of MRL's plant construction expertise and its port management capabilities with Mesa's patented manganese processing technologies.

The Takeover Offer adds further near term manganese ore production to MRL's high quality portfolio of assets. Furthermore, MRL's expertise in project development and operation will assist in the development of the Ant Hill and Sunday Hill tenements.

Mesa shareholders are being offered a material premium to the trading price of Mesa shares, both current and prior to the extensive on market buying by some of the shareholders who have requisitioned the upcoming extraordinary general meeting. Accepting shareholders will also benefit from significantly higher liquidity in MRL's shares, as well as gaining exposure to MRL's growing number of producing and development projects.

Mesa shareholders will also retain an interest in the technology assets through their shares in MRL. Importantly, the value of the technology assets will be significantly enhanced by

¹ Subject to there being no Superior Proposal or some other reason in law requiring them to do otherwise.

MRL's construction expertise, strong balance sheet and supply of feedstock for the proposed secondary processing plant. The construction of the plant will unlock value for MRL by allowing currently unsaleable low grade manganese fines to be processed and sold as manganese sulphate.

MRL Chairman Peter Wade said "The integration of Mesa Minerals' manganese and technology assets into the Mineral Resources operations will provide a significant step in executing the strategy for Mineral Resources to become a volume based player in the steel making commodities business. Inclusion of the Mesa assets will enhance the already impressive inventory of resource assets held by Mineral Resources."

Mesa Minerals Chairman, Norman Coldham-Fussell, said "The Offer allows Mesa shareholders to continue to benefit from the development of its own projects and technology assets, while gaining exposure to a high growth, diversified and financially robust company which will apply its expertise to Mesa's assets. Mineral Resources is a profitable, dividend paying company, and joining with them offers excellent future value for our shareholders."

Additional Details

A break fee of \$610,000 is payable by Mesa to MRL in the event:

- (a) a competing proposal results in a third party acquiring a relevant interest in more than 50.1% of all Mesa Shares;
- (b) a majority of Mesa directors withdraw, qualify or change their recommendation or determination to accept the Takeover Offer in a manner adverse to MRL; or
- (c) Mesa executes any agreement in relation to a superior proposal prior to the expiry of the offer period for the Takeover Offer.

Mesa has also given MRL standard 'no shop' undertakings and has agreed to advise MRL, if any third party commences due diligence in relation to Mesa.

The Takeover Offer will extend to any additional Mesa Shares issued as a result of the conversion of existing convertible securities.

Further details of the Takeover Agreement between MRL and Mesa are included in Annexure A to this announcement.

MRL has retained Steinepreis Paganin as Legal Advisers. Mesa has retained Azure Capital Limited as Financial Advisers and Freehills as Legal Advisers.

Peter Wade
Managing Director
Mineral Resources Limited

Norman Coldham-Fussell
Chairman
Mesa Minerals Limited

About MRL

Mineral Resources Limited is an Australian ASX200 listed company operating a leading, integrated, Australian based mining services and processing business with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export. Operations are supplemented by rehabilitation and sale of

heavy duty crushing and processing equipment, hire of engineering and crushing fleet plant and workshop manufacture of polyethylene pipe fittings and components.

Mineral Resources recently acquired 100% of Polaris Metals NL to expand its inventory of iron ore and manganese resources. Mineral Resources has a record of producing exceptional returns for shareholders by providing innovative solutions in its core business services.

About Mesa

Mesa Minerals Limited is a Western Australian based company listed on the Australian Stock 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. 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.

Mesa has also invested in economically and environmentally sustainable manganese processing technologies that allow the production of high value manganese products (including fertiliser, fungicide and electrolytic manganese dioxide) from low grade manganese ores. Mesa 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. Mesa also intends to license its patented processes for use by third parties in non competitive applications.

ANNEXURE A – FURTHER DETAILS

CONDITIONS OF THE TAKEOVER OFFER

The Takeover Offer and any contracts resulting from acceptance of the Takeover Offer are subject to fulfilment of the following conditions:

1. **(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.
2. **(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.
3. **(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).
4. **(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.
5. **(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).
6. **(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.
7. **(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.

8. **(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.

The following definitions apply in this annexure:

Announcement Date means the date that MRL publicly announces the Takeover Offer.

ASIC means the Australian Securities and Investments Commission.

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

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.

Mesa means Mesa Minerals Limited.

Mesa Share means a fully paid ordinary share in the capital of Mesa.

MRL means Mineral Resources Limited.

Offer Period means the period during which the Takeover Offer remains open.

Prescribed Occurrences 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.

Takeover Offer means the offer to be made by MRL under Chapters 6 to 6C of the Corporations Act under which MRL offers to acquire all the Mesa Shares.