



Mesa Minerals Limited

(ABN 38 009 113 160)

First Supplementary Target's Statement

- The Mineral Resources Offer is open for acceptance and is not affected by the shareholder meeting to be held on 28 May 2010
- Your Directors continue to unanimously recommend that you accept the Mineral Resources Offer, in the absence of a Superior Proposal

1 Introduction

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Mesa Minerals Limited (ABN 38 009 113 160) (**Mesa**) in relation to the off-market takeover bid for all the shares in Mesa by Mineral Resources Limited (ABN 38 009 113 160). This First Supplementary Target's Statement supplements, and should be read together with, Mesa's target's statement dated 6 April 2010.

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning as in this First Supplementary Target's Statement. A copy of this First Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

2 New circumstances

Since the date of the Target's Statement, the following new circumstances have arisen, which would have been required to be included in the Target's Statement:

- having determined that the Mighty River requisition dated 1 April 2010 was valid under section 249D of the Corporations Act, the Mesa Board has now convened a general meeting on 28 May for shareholders to consider and vote on the resolutions proposed by Mighty River to remove certain members of the current Board and to replace them with its nominee directors and Mesa shareholders have been sent a notice of meeting and explanatory statement; and
- as a result of concerns that Mesa has about the links between Mighty River, Auvex Resources Limited and the other original requisitioning shareholders, Mesa has submitted an application to the Takeovers Panel seeking orders which the Board believes will protect shareholders' interests.

3 The new board spill motion does not affect MRL's Offer

MRL's Offer is not affected by the outcome of the 28 May shareholder meeting

MRL's Offer will proceed irrespective of whether or not Mighty River is successful in replacing the current Mesa Board. MRL and Mesa announced that a condition to MRL's Offer was that the requisitioning shareholders were not successful in their attempt to replace the Mesa Board at the EGM held on 26 March 2010. This condition has now been satisfied and does not cover any further attempts by Mighty River to replace the Mesa Board.

MRL's Offer is not affected by the Takeovers Panel application

Mesa has made the application to the Takeovers Panel as it believes that Mighty River, Auvex and their associates are 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 MRL's Offer and effecting a potential merger between Auvex and Mesa. None of the orders sought by Mesa under the Takeovers Panel application will affect the ability of Mesa Shareholders to accept MRL's Offer.

MRL's Offer is the only offer capable of acceptance by all Mesa shareholders

The proposed resolutions to replace the Mesa Board are not an alternative to MRL's Offer. By accepting shares in MRL, not only will Mesa shareholders retain exposure to Mesa's assets, but Mesa shareholders will also gain exposure to MRL's financial strength, development expertise and high quality asset portfolio, which your board believes is not being fully valued by the market. As an MRL shareholder you will participate in MRL's established dividend stream. The Mesa Board believes that in merging with MRL, your overall investment will have a lower risk profile as you will reduce your exposure to any potential future delays involved with bringing the Ant Hill and Sunday Hill projects into production.

If you accept MRL's Offer you may still be able to vote at the meeting

Please note that even if you have accepted MRL's Offer, you may still be entitled to vote at the Mesa shareholder meeting if MRL's Offer remains open and has not been declared unconditional. It is important that you continue to participate in shareholder meetings and exercise your right to vote.

4 The Directors' maintain their unanimous recommendation of MRL's Offer

The directors of Mesa reiterate their recommendation that Mesa shareholders should accept MRL's Offer, in the absence of a superior proposal, for the following key reasons:

- (a) MRL's Offer is a result of a competitive process and, after careful consideration, has the unanimous recommendation of the Board;
- (b) Mesa shareholders have the opportunity to participate in a larger, more diversified and better funded mining services and mineral processing company with strong project development expertise;
- (c) MRL's Offer is priced at a significant premium to pre-announcement trading prices for Mesa Shares; being a 65% premium to A\$0.062, the volume weighted average price of Mesa shares on the ASX for the 60 trading days up to and including the Pre-Announcement date;

- (d) the Board believes that MRL's attractive portfolio of projects are not being fully valued by the market and expect MRL Shares to trade strongly as a result. This is evidenced by the 16% increase in MRL's share price in the short period since MRL's Offer was announced, up to 16 April, which translates to an implied Offer price of \$0.119;
- (e) Mesa shareholders will benefit from any synergies attributable to the Merged Group;
- (f) as an MRL shareholder you will have a markedly lower exposure to the risks and potential delays involved with bringing the Ant Hill and Sunday Hill projects into production, including potential impediments arising from Mesa's dispute with Mesa's Joint Venture partner Auvex;
- (g) as a shareholder in the Merged Group, you will participate in any future MRL Share dividend stream;
- (h) MRL Shares have greater liquidity than Mesa Shares;
- (i) no Superior Proposal has been received by the Board since announcement of the Offer; and
- (j) Mesa's share price may fall if MRL's Offer is unsuccessful.

Since the announcement of MRL's Offer, MRL has announced a number of material developments in existing and new projects that accepting Mesa Shareholders will gain exposure to. We urge you to read the First and Second Supplementary Bidder's Statements released by MRL on 13 April and 16 April respectively for information regarding some of these exciting developments.

Signed for and on behalf of Mesa:

date 19 April 2010

sign here ► 

print name Alan Scott

position Managing Director & Chief Executive Officer