

# Mineral Resources Limited

## Appendix 4D

### Half Year Report For the 6 months ended 31 December 2010

Results for Announcement to the Market

	Actual Result \$'000	Comparison to previous corresponding period: 6 months to Dec 09	
		% Inc / (Dec)	Inc / (Dec) \$'000
Revenue	344,359	216%	235,275
Profit after tax attributable to members	60,561	121%	33,125
Net Profit for the period attributable to members	60,561	121%	33,125

Dividends	Amount per Security	% Franked
<b>Current Period:</b>		
<b>Final Dividend</b> Dividend paid 18 November 2010	13.6 cents	100%
<b>Interim Dividend declared during period</b> Dividend is payable 7 April 2011 Record date for determining entitlement to the dividend is 17 March 2011	15.0 cents	100%
The company is in the process of preparing a Dividend Reimbursement Plan to be in place and available for shareholders to participate for the interim dividend (record date 17 March 2011) declared today.		
<b>Prior corresponding period:</b>		
<b>Final Interim Dividend</b> Dividend paid 18 November 2009	12.35 cents	100%
<b>Interim Dividend</b> Dividend paid 4 April 2010	6.4 cents	100%
<b>Net Tangible assets per security</b> As at 31 December 2010 As at 31 December 2009	313 cents 239 cents	

Results for the period should be read in conjunction with the Financial Report attached.

**MINERAL RESOURCES LIMITED**  
**ABN 33 118 549 910**  
and its controlled entities

**Interim Financial Report**  
**For the half-year ended 31 December 2010**

# MINERAL RESOURCES LIMITED

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## CORPORATE DIRECTORY

### **Directors**

Peter Wade (Executive Chairman / Managing Director)  
Chris Ellison (Executive Director)  
Joe Ricciardo (Non-Executive Director)  
Mark Dutton (Non-Executive Director)  
Kelvin Flynn (Non-Executive Director)  
Ryan Welker (Non-Executive Director)

### **Auditors**

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

### **Company Secretary**

Bruce Goulds

### **Registered Office**

1 Sleat Road,  
Applecross WA 6153  
Tel: (08) 9329 3600  
Fax: (08) 9329 3601

### **Bankers**

National Australia Bank  
100 St Georges Terrace  
Perth WA 6000

### **Share Registry**

Computershare Limited  
45 St Georges Terrace  
Perth WA 6000

### **Home Stock Exchange**

Australian Securities Exchange Limited  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000  
ASX Code: MIN

# MINERAL RESOURCES LIMITED

## DIRECTORS' REPORT

The Directors submit their report on the consolidated entity of Mineral Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2010.

### Directors

The names of the company's directors in office during the half-year and until the date of this report are:

Peter Wade (Executive Chairman / Managing Director)  
Chris Ellison (Executive Director)  
Joe Ricciardo (Non-Executive Director)  
Mark Dutton (Non-Executive Director)  
Kelvin Flynn (Non-Executive Director)  
Ryan Welker (Non-Executive Director) – appointed 1 December 2010

Directors were in office for the entire period unless otherwise stated.

### Review of Operations

The consolidated entity produced a half year net profit of \$60.6 million for the period ending 31 December, 2010. This result is a 121% improvement on the previous corresponding half and a 121% improvement on the normalised profit for the second half of 2010. The result is in accordance with the Company's budgeted expectations benefiting from an exceptional performance from contracting operations and an improving iron ore price during the year.

This performance is validation that the Company's strategy of a broad based business focused on the resources sector in both services and minerals production continues to create substantial and sustainable shareholder value.

The operational and strategic developments undertaken during the half year provide a mixture of immediate enhancements to the Company's financial performance as well as positioning the Company to meet its future development and growth objectives.

Construction of the 19 mtpa crushing and processing plant at the Christmas Creek mine is progressing in accordance with the project timetable. Completion of the construction phase will occur in Q3 of the 2011 financial year along with wet commissioning and ramp-up. This BOO project reflects the brand recognition of Mineral Resources as the premier provider of contract crushing and processing services to the minerals industry. It further demonstrates the value adding capability of our operations leading to repeat business with major iron ore clients. This project, with its size and complexity, cements Mineral Resources' reputation for excellence and innovation in the crushing and processing of bulk commodities for its clients.

PIHA has continued its strong project execution delivery throughout the half year and, supported by significant forward orders and opportunities extending into the next financial year and beyond, is well placed to continue to add value to the group's performance. The PIHA business has an enviable record for developing innovative solutions to pipeline projects generally and through its strong research and development regime remains the market leader in the specialist areas of pipelining and polyethylene fittings manufacture.

Iron ore and manganese commodity prices have been mixed in the half year. Iron ore prices have rallied significantly whereas manganese prices have remained soft. The half year result is underpinned by an increase in iron ore volumes with exports increasing to 1.3 million tonnes and manganese volumes remaining steady at 0.25 million tonnes. This compares with a combined total of 1.3 million tonnes sold in the 2009/10 financial year.

On 28 October 2010, the Company's first shipment of product sailed from the Utah Point berth in Port Hedland. The newly constructed Utah Point terminal is a common user facility for the export of manganese and iron ore and will provide the Company with an export allocation into the future to support Mineral Resources development plans for its operations in the Pilbara region of Western Australia.

The Company's manganese operation, in conjunction with Hancock Prospecting, at Nicholas Downs completed its ramp-up, commenced full operations in the half year and initial shipments through the No 1 Berth at Port Hedland have been undertaken. This greenfields project progressed from commitment through to operation within a period of less than 6 months which is an outstanding achievement and reflects the successful relationship between Hancock Prospecting and Mineral Resources. The mine is producing to plan in both grades and tonnages although the short term sales plan reflects the current manganese market price softness. In addition, Hancock Prospecting became a significant shareholder in the Company exercising 5 million options over Mineral Resources shares.

## MINERAL RESOURCES LIMITED

### DIRECTORS' REPORT

The Company through its Polaris subsidiary is also progressing with the development of the Carina iron ore project in the Yilgarn region of Western Australia and is well advanced in design and approvals for the mine site, the rail transport activities and the site crushing and processing operations. Preparatory works on site have commenced and long lead items ordered in anticipation of ramping up the project timetable once all the final approvals are confirmed.

On 5 August 2010, the Company announced its withdrawal from the Windimurra vanadium project by agreeing to sell its assets to its consortium partner, Atlantic Limited (ASX:ATI). The Company had put this project on a sound footing for future success by building a state of the art crushing and magnetic separation beneficiation circuit on the site and establishing the consortium to extricate the project from administration. The sale of the assets to Atlantic is due to be finalised in April, 2011.

The off-market take-over bid for Mesa Minerals Limited (ASX:MAS) was concluded during the half year, with Mineral Resources attaining acceptances for 64.23% of Mesa's shares. Mineral Resources is strongly represented on the board of Mesa and is committed to working with Mesa to provide positive outcomes for all of the Mesa shareholders and partners. The parties are expending considerable effort to optimise Mesa's manganese and technology assets. The Directors believe that the Company's involvement will provide the best solution for maximising long-term and sustainable shareholder value.

Subsequent to the end of the half, mining approval was granted for the Mt Marion lithium project, a joint endeavour with Reed Resources Limited (ASX:RDR). The Company also agreed to substitute its 40% profit share for a 30% equity stake in the project and retain its contractual right to undertake the mining and processing for the site. This project is focused on the development of Lithium based deposits in the goldfields region of Western Australia. Lithium and its associated by-products represent an emerging market with relatively few players and an expanding profile in the Lithium ion battery market and specifically the electric car segment. Development of this operation has the capability of taking advantage of the anticipated world growth in this energy efficient battery sector using the lithium oxide (spodumene) concentrate from the operation as the feed for lithium carbonate production operations located overseas or to be subsequently developed to accept the Mount Marion product. The Company has designed the process circuit to also treat the by-products of the spodumene recovery plant, which includes tantalum and will target a production commencement later in 2011.

The strong Australian dollar has also had an impact on the profitability of direct sales of minerals. This situation has been relieved by rising resources prices and to a lesser extent reductions in the cost of shipping. Analysts expectations are that, as the US economy improves, the Australian dollar will settle back to sustainable levels for the long term. In the mean time, management of currency risk is a key strategic imperative. The Company continues to manage its risk in this area by utilising a number of hedging products linked to the forecast flow of US dollars.

Operational cashflow has continued to be strong reflecting the continued solid performance of the business notwithstanding a substantial escalation in capital expenditure on plant and equipment for projects under development. It is these projects under development that will underpin the future growth in revenue and profitability of the business going forward with the capital expenditure being the driver of our long term operational and financial success. Although the Company maintains a net debt free balance sheet and has sufficient funds to meet announced, medium term development goals, we are cognisant that our targeted future growth will require additional funding and a structured gearing of the balance sheet may need to be pursued.

The directors remain positive about the ongoing performance and growth of the business and foreshadow 2011 as the year of consolidation in preparation for substantial expansion of both contracting and commodities production over the next few years.

## MINERAL RESOURCES LIMITED

### DIRECTORS' REPORT

#### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial statements.

#### **Rounding of Amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' Report and financial report. Accordingly, the amounts in the Directors' Report and financial report have been rounded to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of Directors.



PETER WADE  
Director

Signed in Perth on the 17th day of February 2011

**MINERAL RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the half-year ended 31 December 2010**

	<b>31 Dec 10</b>	<b>31 Dec 09</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from operations</b>	<b>337,345</b>	<b>108,263</b>
Other income	7,014	821
Depreciation and amortisation expense	(12,329)	(9,829)
Employee benefits expense:		
• Share based payments	(64)	(2,532)
• Other employee benefits	(48,448)	(18,452)
Equipment costs	(9,842)	(3,100)
Finance costs	(3,288)	(2,276)
Impairment	-	2,773
Raw materials and consumables used	(59,231)	(3,914)
Subcontractors	(38,099)	(2,585)
Transport and freight	(60,400)	(26,754)
Change in closing stock	(5,529)	(1,186)
Other expenses	(19,426)	(3,174)
<b>Profit before income tax</b>	<b>87,703</b>	<b>38,055</b>
Income tax expense	(27,142)	(10,619)
<b>Profit for the half-year</b>	<b>60,561</b>	<b>27,436</b>
<b>Other comprehensive income</b>		
Movement in asset revaluation reserve (net of tax)	9,101	468
<b>Other comprehensive income for the half-year (net of tax)</b>	<b>9,101</b>	<b>468</b>
<b>Total comprehensive income for the half-year</b>	<b>69,662</b>	<b>27,904</b>
Profit is attributable to:		
Owners of Mineral Resources Limited	60,851	27,436
Non-controlling interest	(290)	-
	<b>60,561</b>	<b>27,436</b>
Total comprehensive income is attributable to:		
Owners of Mineral Resources Limited	69,952	27,904
Non-controlling interest	(290)	-
	<b>69,662</b>	<b>27,904</b>
Basic profit per share (cents per share)	36.4	21.4
Diluted profit per share (cents per share)	33.6	21.1

The accompanying notes form part of these financial statements

**MINERAL RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**For the half-year ended 31 December 2010**

	<b>31 Dec 10</b>	<b>30 Jun 10</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS – Current</b>		
Cash and cash equivalents	153,290	174,470
Trade and other receivables	110,604	56,778
Inventory	22,918	30,379
Financial assets	4,527	-
Other assets	1,222	776
	292,561	262,403
Assets classified as held for sale	73,000	-
<b>Total current assets</b>	<b>365,561</b>	<b>262,403</b>
<b>ASSETS – Non-current</b>		
Trade and other receivables	3	10
Investments accounted using equity method	189	189
Financial assets	3,687	4,350
Property, plant and equipment	172,578	214,739
Exploration and evaluation	260,320	257,898
Intangibles assets	42,560	42,497
Deferred tax assets	36,822	62,730
<b>Total non-current assets</b>	<b>516,159</b>	<b>582,413</b>
<b>Total assets</b>	<b>881,720</b>	<b>844,816</b>
<b>LIABILITIES - Current</b>		
Trade and other payables	91,624	142,828
Financial liability	-	993
Finance lease liabilities	12,004	12,644
Secured loans	9,100	14,100
Income tax payable	-	4,335
Provisions	7,024	5,684
<b>Total current liabilities</b>	<b>119,752</b>	<b>180,584</b>
<b>LIABILITIES – Non-current</b>		
Trade and other payables	15	15
Finance lease liabilities	16,010	14,525
Deferred tax liabilities	116,274	108,028
Secured loans	50,000	45,000
Provisions	10,985	10,985
<b>Total non-current liabilities</b>	<b>193,284</b>	<b>178,553</b>
<b>Total liabilities</b>	<b>313,036</b>	<b>359,137</b>
<b>Net assets</b>	<b>568,684</b>	<b>485,679</b>
<b>EQUITY</b>		
Contributed equity	356,254	315,526
Reserves	14,487	5,386
Non-controlling interest	21,030	25,458
Retained profits	176,913	139,309
<b>Total equity</b>	<b>568,684</b>	<b>485,679</b>

The accompanying notes form part of these financial statements



**MINERAL RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the half-year ended 31 December 2010**

	Attributable to owners of Mineral Resources Limited				Non-controlling interest	Total
	Contributed Equity	Reserves	Retained Earnings	Total		
<b>Balance at 1 July 2009</b>	<b>72,782</b>	<b>4,456</b>	<b>67,527</b>	<b>144,765</b>	-	<b>144,765</b>
Movement in asset revaluation reserve (net of tax)	-	468	-	468	-	468
Profit for the half year	-	-	27,436	27,436	-	27,436
<b>Total comprehensive income for the year</b>	-	<b>468</b>	<b>27,436</b>	<b>27,904</b>	-	<b>27,904</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share issue from exercise of options	4,235	-	-	4,235	-	4,235
Net proceeds of share issues from share placement	51,815	-	-	51,815	-	51,815
Share based payments	2,532	-	-	2,532	-	2,532
Shares issued in part consideration for acceptances of the off-market takeover bid for Polaris Metals NL	96,373	-	-	96,373	-	96,373
Non-controlling interest in acquisition of subsidiary (Polaris Metals NL)	-	-	-	-	54,725	54,725
Dividends paid	-	-	(15,561)	(15,561)	-	(15,561)
	154,955	-	(15,561)	139,394	54,725	194,119
<b>Balance at 31 December 2009</b>	<b>227,737</b>	<b>4,924</b>	<b>79,402</b>	<b>312,063</b>	<b>54,725</b>	<b>366,788</b>
<b>Balance at 1 July 2010</b>	<b>315,526</b>	<b>5,386</b>	<b>139,309</b>	<b>460,221</b>	<b>25,458</b>	<b>485,679</b>
Movement in asset revaluation reserve (net of tax)	-	9,101	-	9,101	-	9,101
Profit for the half year	-	-	60,561	60,561	(290)	60,271
<b>Total comprehensive income for the half year</b>	-	<b>9,101</b>	<b>60,561</b>	<b>69,662</b>	<b>(290)</b>	<b>69,372</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share issue from exercise of options	36,526	-	-	36,526	-	36,526
Shares issued in consideration for acceptances of the market takeover bid for Mesa Minerals Ltd	4,138	-	-	4,138	(4,138)	-
Share based payments	64	-	-	64	-	64
Dividends paid	-	-	(22,957)	(22,957)	-	(22,957)
	40,728	-	(22,957)	17,771	(4,138)	13,633
<b>Balance at 31 December 2010</b>	<b>356,254</b>	<b>14,487</b>	<b>176,913</b>	<b>547,654</b>	<b>21,030</b>	<b>568,684</b>

The accompanying notes form part of these financial statements

**MINERAL RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the half-year ended 31 December 2010**

	<b>Half-year 31 Dec 10 \$'000</b>	<b>Half-year 31 Dec 09 \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	288,671	113,052
Payments to suppliers and employees	(226,416)	(75,594)
Interest received	2,418	718
Interest and other costs of finance paid	(3,288)	(2,276)
Income taxes paid	(12,225)	(12,544)
	49,160	23,356
Payments relating to the construction of a processing plant previously recovered from customer	(57,698)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(8,538)</b>	<b>23,356</b>
 <b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(19,267)	(13,822)
Proceeds from the sale property, plant and equipment	452	4,618
Payments for exploration and evaluation expenditure	(2,422)	-
Payments for available for sale investments	(282)	(6,709)
Proceeds on disposal of available for sale investments	2,879	-
<b>Net cash used in investing activities</b>	<b>(18,640)</b>	<b>(15,913)</b>
 <b>Cash flows from financing activities</b>		
Proceeds from exercise of share options	36,526	4,235
Proceeds from share issue	-	51,815
Dividends paid	(22,957)	(15,561)
Repayment of borrowings	(7,571)	(10,411)
<b>Net cash provided by financing activities</b>	<b>5,998</b>	<b>30,078</b>
 <b>Net increase / (decrease) in cash held</b>	<b>(21,180)</b>	<b>37,521</b>
Cash at beginning of the financial period	174,470	54,880
 <b>Cash at end of the financial period</b>	<b>153,290</b>	<b>92,401</b>

The accompanying notes form part of these financial statements

**MINERAL RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this financial report should be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Mineral Resources Limited and controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial period.

**(a) Basis of accounting**

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The financial report covers the consolidated entity of Mineral Resources Limited and controlled entities. Mineral Resources Limited is a listed public company domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and generally does not take into account changing money values or, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

There were no new accounting policies adopted in the reporting period.

**2. DIVIDENDS**

	<b>Consolidated 31 Dec 10 \$'000</b>	<b>Consolidated 31 Dec 09 \$'000</b>
<b>DIVIDENDS PROVIDED AND PAID DURING HALF YEAR</b>		
Fully franked dividends provided for and paid during the half-year	22,957	15,561
<b>DIVIDENDS DECLARED SINCE THE END OF THE HALF-YEAR</b>		
In addition to the above dividend, since the end of the half-year the directors have recommended the payment of a further interim dividend of 15 cents per share, fully franked that will be paid on 7 April 2011 for shares on record at 17 March 2011	25,324	9,932

**MINERAL RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

**3. CONTRIBUTED EQUITY**

	<b>Consolidated 31 Dec 2010 \$'000</b>	
a) Paid-Up Capital	356,254	
b) Movements	<b>No of Shares</b>	<b>Paid-Up Capital</b>
	<b>'000</b>	<b>\$'000</b>
<b>Balance 1 July 2009</b>	<b>124,183</b>	<b>72,782</b>
Exercise of share options	3,512	4,235
Issued shares for consideration - Mesa Minerals Ltd	7,750	51,815
Issued shares for consideration - Polaris Metals NL	13,527	96,373
Increase in equity from share based payments expense from issue of options	-	2,532
<b>Balance 31 December 2009</b>	<b>148,972</b>	<b>227,737</b>
<b>Balance 1 July 2010</b>	<b>161,284</b>	<b>315,526</b>
Exercise of share options	6,385	36,526
Issued shares for consideration - Mesa Minerals Ltd	634	4,138
Increase in equity from share based payments expense from issue of options	-	64
<b>Balance 31 December 2010</b>	<b>168,303</b>	<b>356,254</b>

**MINERAL RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

**4. SEGMENT INFORMATION**

**Business segments**

Mineral Resources Limited has identified its operating segments based on internal management reports that are reviewed by the executive committee in assessing performance and in determining the allocation of resources.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measure based on underlying EBIT contribution.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

	<b>Mining Services &amp; Processing</b>		<b>Mining</b>		<b>Consolidated</b>	
	<b>Dec-10 \$'000</b>	<b>Dec-09 \$'000</b>	<b>Dec-10 \$'000</b>	<b>Dec-09 \$'000</b>	<b>Dec-10 \$'000</b>	<b>Dec-09 \$'000</b>
<b>Segment Revenue</b>						
External revenue	340,656	109,084	3,703	-	<b>344,359</b>	109,084
Revenue between segments	-	-	-	-	-	-
Interest income	2,266	393	152	-	<b>2,418</b>	393
Interest expense	(3,259)	(2,276)	(29)	-	<b>(3,288)</b>	(2,276)
Depreciation and amortisation	(12,300)	(9,829)	(29)	-	<b>(12,329)</b>	(9,829)
<b>Reportable segment profit before income tax</b>	<b>84,575</b>	<b>38,055</b>	<b>3,128</b>	-	<b>87,703</b>	<b>38,055</b>
Income tax expense	(27,142)	(10,619)	-	-	<b>(27,142)</b>	(10,619)
<b>Profit for the year</b>					<b>60,561</b>	<b>27,436</b>
Reportable segment assets	<b>596,041</b>	531,559	<b>285,679</b>	36,260	<b>881,720</b>	567,819
Exploration assets	<b>36,379</b>	194,799	<b>223,941</b>	25,027	<b>260,320</b>	219,826
Reportable segment liabilities	<b>246,166</b>	200,425	<b>66,870</b>	606	<b>313,036</b>	201,031
Segment capital expenditure	<b>19,188</b>	13,822	<b>79</b>	-	<b>19,267</b>	13,822

## **MINERAL RESOURCES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

#### **5. BUSINESS COMBINATION**

On 22 March 2010, Mineral Resources Limited announced its intention to make an off-market takeover bid to acquire all of the issued shares Mesa Minerals Limited. Mineral Resources Limited's Bidder's Statement was lodged with the ASIC and served on Mesa on 6 April 2010. Under the terms of the Bidder's Statement, Mineral Resources Limited offered one Mineral Resources Limited share for every 70.6 Mesa shares held by Mesa shareholders.

At 30 June 2010, Mineral Resources Limited had acquired an interest of 57.4% of Mesa Minerals Limited.

Details of purchase consideration and net assets acquired in the business combination were disclosed in the 30 June 2010 annual financial report.

On 27 August 2010, Mineral Resources Limited announced that its off market takeover offer was closed and Mineral Resources Limited finished with a relevant interest in Mesa Minerals shares of 64.2%. In the period from 1 July 2010 to 27 August 2010, Mineral Resources Limited issued issued shares with an aggregate value of \$4,138,000 and recognised a corresponding decrease in the non-controlling interests in Mesa Minerals Limited.

#### **6. CONTINGENT LIABILITIES**

Since the last annual reporting date, there has been no material change of contingent liabilities.

#### **7. EVENTS SUBSEQUENT TO REPORTING DATE**

There has not been any material events subsequent to the end of the reporting date and the date of this half-year financial report that has not been recognised in this financial report.

**MINERAL RESOURCES LIMITED**

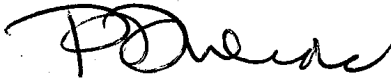
**DIRECTOR'S DECLARATION**

In the Directors' opinion:

- 1) The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Accounting Standard AASB134 "Interim Financial Reporting".
- 2) At the date of this statement there are reasonable grounds to believe that Mineral Resources Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Signed at Perth on the 17th day of February 2011.



Peter Wade  
Director

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
MINERAL RESOURCES LIMITED**

*Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Mineral Resources Limited which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mineral Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mineral Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

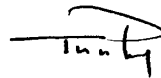
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mineral Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 17 February 2011

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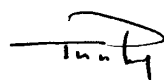
### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mineral Resources Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 17 February 2011