



Mineral Resources Limited

ABN 33 118 549 910

NINTH 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 ninth supplementary bidder's statement (**Ninth Supplementary Bidder's Statement**) by Mineral Resources Limited (**MRL** or the **Company**) dated 21 January 2010 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 Ninth Supplementary Bidder's Statement has been prepared by MRL to ensure that full information has been provided to Polaris Shareholders in respect of the Offers made by MRL.

A copy of this Ninth Supplementary Bidder's Statement was lodged with the ASIC on 21 January 2010. Neither the ASIC nor any of its officers takes any responsibility for the contents of this Ninth Supplementary Bidder's Statement.

This Ninth Supplementary Bidder's Statement supplements, and must be read together with, the Original Bidder's Statement as amended by MRL's first supplementary bidder's statement dated 2 October 2009 (**First Supplementary Bidder's Statement**), MRL's second supplementary bidder's statement dated 16 October 2009 (**Second Supplementary Bidder's Statement**), MRL's third supplementary bidder's statement dated 5 November 2009 (**Third Supplementary Bidder's Statement**), MRL's fourth supplementary bidder's statement dated 13 November 2009 (**Fourth Supplementary Bidder's Statement**), MRL's fifth supplementary bidder's statement dated 25 November 2009 (**Fifth Supplementary Bidder's Statement**), MRL's sixth supplementary bidder's statement dated 3 December 2009 (**Sixth Supplementary Bidder's Statement**), MRL's seventh supplementary bidder's statement dated 18 December 2009 (**Seventh Supplementary Bidder's Statement**) and MRL's eighth supplementary bidder's statement dated 23 December 2009 (**Eighth Supplementary Bidder's Statement**).

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



2. SUCCESSFUL CLOSE OF OPTIONS OFFER

MRL's Option Offer for all of the issued options of Polaris closed at 5.00pm (WST/Perth time) on 6 January 2010.

MRL received acceptances under the Option Offer for all of Polaris' issued options (comprising 15,725,000 unlisted options with varying exercise prices and expiry dates).

MRL completed the Option Offer on 15 January 2010 by issuing MRL Options to Polaris optionholders in return for the transfer of their Polaris options to MRL in accordance with the terms of the Option Offer.

3. IMPROVEMENT AND EXTENSION OF SHARE OFFER

On 7 January 2010, MRL varied its Share Offer to improve the consideration offered to one (1) MRL Share for every 10 Polaris Shares held plus 10.1 cents cash for every one (1) Polaris Share held, conditional on MRL obtaining a relevant interest in at least 90% of the ordinary shares of Polaris before the Closing Date of the Share Offer.

On 11 January 2010, Lion Diversified Holdings Berhad accepted MRL's Share Offer in respect of its Polaris Shares and, as a result, MRL acquired acceptances for over 90% of the ordinary shares of Polaris, satisfying the above pre-condition to the above improvement in the Share Offer consideration. As a result, the consideration offered under the Share Offer is now **one (1) MRL Share for every 10 Polaris Shares held plus 10.1 cents cash for every one (1) Polaris Share held.**

In addition, since the consideration was increased within the last 7 days of the Share Offer, the Share Offer has been automatically extended by 14 days to **5.00pm (WST/Perth time) on 25 January 2010.**

MRL does not intend to extend the Share Offer again, and this Closing Date should be considered final. Polaris Shareholders who have not accepted the Share Offer are encouraged to accept NOW.

4. COMPULSORY ACQUISITION

As a result of acquiring acceptances for over 90% of the ordinary shares of Polaris, MRL intends to begin the process of compulsorily acquiring all remaining Polaris Shares with a view to completing its acquisition of Polaris as soon as possible.

5. CHANGE TO POLARIS BOARD

On 7 January 2010, the board of Polaris resigned and was replaced by the directors of MRL. Mr Kenneth Hellsten has been retained as the chief executive officer of Polaris.

6. CHANGES TO CAPITAL

Since the date of the Seventh Supplementary Bidder's Statement on 18 December 2009, MRL has issued additional MRL Shares as a result of completing



Ninth Supplementary Bidder's Statement continued...

acceptances for the Share Offer and the exercise of MRL Options. In addition, various Polaris Options have been exercised resulting in the issue of Polaris Shares.

MRL wishes to update the disclosure set out in Section 4.8 of the Original Bidder's Statement (as amended by the Second, Fourth, Fifth, Sixth and Seventh Supplementary Bidder's Statements) regarding the capital structure of MRL assuming completion of the Share Offer. Except as otherwise described below, the assumptions set out in section 4.8 of the Original Bidder's Statement (as amended) continue to apply.

MRL Shares	Number Assuming 100% Acceptance
MRL Shares on issue ¹	135,471,666
Takeover Consideration ²	19,991,428
TOTAL	155,463,094

Notes:

1. For calculation purposes, this excludes 19,348,475 MRL Shares issued under Share Offer settlements completed to date. A total of 154,820,141 MRL Shares are in fact currently on issue.
2. Includes 19,348,475 MRL Shares already issued under the Share Offer settlements completed to date.

If 100% of Polaris Shareholders as at the date of this Ninth Supplementary Bidder's Statement accept the Share Offer, Polaris Shareholders will become entitled to 12.9% of the issued Share capital of MRL, on an undiluted basis.

7. FINANCIAL INFORMATION

As a result of the improvement to the Share Offer and the above changes to capital, MRL replaces the pro forma balance sheet set out in Section 7.1 of the Original Bidder's Statement (as amended) with the balance sheet and assumptions set out in Annexure A to this Ninth Supplementary Bidder's Statement.

8. CONCLUSION

MRL encourages you to consider all information that has either been sent to you or is included in this Ninth Supplementary Bidder's Statement, and to **ACCEPT** MRL's Share Offer.

If you have any queries about the Offers or require assistance with your acceptance, please contact your financial advisor or call the offer information line on 1800 253 782 (callers within Australia) or +61 3 9415 4285 (callers outside Australia).



9. APPROVAL OF THE NINTH SUPPLEMENTARY BIDDER'S STATEMENT

This Ninth Supplementary Bidder's Statement is dated 21 January 2010 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of MRL.

Signed for and on behalf of
Mineral Resources Limited

**Mr Bruce Goulds
Company Secretary**

**ANNEXURE A – FINANCIAL INFORMATION**

Pro Forma Merged Entity if MRL acquires 100% of Polaris at 30 June 2009

	Mineral Resources Audited Balance Sheet at 30Jun09 (adjusted) \$'000	Polaris Metals Audited Balance Sheet at 30Jun09 \$'000	Consolidation Entries \$'000	Proforma Consolidated Balance Sheet of the Merged Entity at 30Jun09 \$'000
<u>Current assets</u>				
Cash and cash equivalents	106,801	4,209	(26,246)	84,764
Trade and other receivables	36,777	411		37,188
Inventories	16,320			16,320
Other financial assets	188			188
Other	659			659
Total current assets	160,745	4,620	(26,246)	139,119
<u>Non current assets</u>				
Trade and other receivables	7			7
Available for sale financial assets	2,405	2,762		5,167
Investments accounted using the equity method	189			189
Other financial assets		241	0	241
Plant and equipment	157,033	425		157,458
Exploration and evaluation assets		23,498		23,498
Goodwill	10,235		139,494	149,729
Other intangible assets		26		26
Deferred tax assets	10,127			10,127
Total non current assets	179,996	26,952	139,494	346,442
Total assets	340,741	31,572	113,248	485,561
<u>Current liabilities</u>				
Trade and other payables	40,494	754		41,248
Financial lease liabilities	9,829			9,829
Income tax payable	4,882			4,882
Provisions	4,439	119		4,558
Total current liabilities	59,644	873	0	60,517
<u>Non current liabilities</u>				
Trade and other payables	13			13
Financial lease liabilities	11,692			11,692
Secured Loans	45,000			45,000
Provisions	12,698			12,698
Deferred tax liabilities	14,890			14,890
Total non current liabilities	84,293	0	0	84,293
Total liabilities	143,937	873	0	144,810
Net assets	196,804	30,699	113,248	340,751



	Mineral Resources Audited Balance Sheet at 30Jun09 (adjusted)	Polaris Metals Audited Balance Sheet at 30Jun09	Consolidation Entries	Proforma Consolidated Balance Sheet of the Merged Entity at 30Jun09
<u>Equity</u>				
Issued capital	125,095	38,298	111,704	275,097
Reserves	4,456	6,943	(6,943)	4,456
Retained earnings	67,253	(14,542)	8,487	61,198
Total equity	196,804	30,699	113,248	340,751

Assumptions

MRL acquires 100% acceptance of the Polaris Shares and Polaris Options.

MRL is required by Australian equivalent of International Accounting Standards to consolidate Polaris.

Purchase consideration of \$170,193 million consists of:

	\$'000
New MRL Shares for POL Shares at MRL market value on 20 January 2010 of \$7.27	145,338
Cash consideration of \$0.101 per Polaris Share	20,191
New MRL Options for POL Options at fair value	4,664
Total Purchase Consideration	170,193

Assets and liabilities of Polaris represent fair value and will be taken into the books of MRL without alteration.

The balance after eliminating the equity of Polaris on the acquisition date represents the goodwill on the investment.

The after tax impact of expenses of the acquisition of \$6,055 million (including stamp duty) have been expensed in accordance with Australian Accounting Standard AASB3 Business Combinations.

The impact of the share placement dated 30 November 2009 has been included as an adjustment to the Mineral Resources Audited Balance Sheet as at 30 June 2009. Key elements of the share placement are

	\$'000
7,750,000 new MRL Shares issued on 30 November 2009 at \$6.75	52,313
Expenses of the issue (brokerage)	392
Tax deduction for expenses of the issue	118