

6 October 2009

ASX RELEASE

LION ASIAPAC LIMITED'S PROPOSAL

The Board of Polaris Metals NL ("Polaris") (ASX : POL) notes the announcement today of an intention to make a takeover bid by Lion-Asia Resources Pte. Ltd. ("Bidco"), an incorporated joint venture vehicle jointly owned by Lion Asiapac Limited ("LAP") through its wholly-owned subsidiary LAP Exploration Pte. Ltd. ("LAPE") and Tan Sri William Cheng Heng Jem, Chairman of Polaris' largest shareholder, Lion Diversified Holdings Berhad ("Lion"), through his wholly owned private investment vehicle Vital Bond Limited ("LAP Offer"). LAP, while associated with Lion, is separately listed on the Singapore Stock Exchange.

The LAP Offer will be an off-market takeover bid for all of the shares in Polaris at \$0.60 per share. Among other things, the LAP Offer is conditional on FIRB approval and on Bidco acquiring a relevant interest in not less than 50.1% of Polaris shares bid for, excluding shares in which Bidco has a relevant interest and shares subject to the pre-acceptance agreement between Heron and Mineral Resources Limited ("Mineral Resources"). Through Lion's holding, Bidco currently has a relevant interest in approximately 25.43% of Polaris.

The Board also notes that Mineral Resources Limited ("Mineral Resources") has today declared that it has a relevant interest in 26.69% of Polaris shares under its takeover offer, which is currently scheduled to close on 26 October 2009, unless extended.

The Board of Polaris is currently assessing the LAP Offer with the assistance of its advisers and will make its formal recommendation in relation to the LAP Offer and the Mineral Resources offer as soon as practicable.

POLARIS METALS NL



Ken Hellsten
Managing Director