

9 October 2009

ASX RELEASE

UPDATE ON TAKEOVER OFFERS

The Board of Polaris Metals NL (“Polaris”) (ASX : POL) provides the following update in relation to the takeover offers or proposed offers by Mineral Resources Limited (“Mineral Resources”) and Lion-Asia Resources Pte. Ltd. (“Lion-Asia”).

Based on the Board’s assessment of the implied value of the Mineral Resources offer assuming a range of potential values for Mineral Resources shares, as against the Lion-Asia offer of \$0.60 per share, and taking into account other relevant factors and information available at the present time, the Board is of the view that **neither of the offers is clearly superior to the other from the point of view of Polaris shareholders**. The Board notes that Lion-Asia has yet to formalise its intentions in relation to the Polaris options.

The Board also notes that Polaris shares are currently trading on ASX at or slightly above the \$0.60 per share offered by Lion-Asia.

On 6 October 2009, the Board sought clarification on a number of issues from Lion-Asia, through its advisers, in relation to various aspects of its proposed offer. Several of those issues remain outstanding.

The Mineral Resources offer is currently scheduled to close on 26 October 2009, unless extended.

The Board will keep shareholders informed of developments as they occur. In the meantime shareholders should monitor activity in Polaris shares on the ASX and consider seeking professional advice concerning their personal circumstances.

POLARIS METALS NL



Ken Hellsten
Managing Director