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LAWYERS

27 November 2009

By fax | 75 pages

To Company Announcements Platform
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**Lion-Asia Resources Pte. Ltd – takeover bid for Polaris Metals NL
Bidder's Statement**

Please find attached an announcement from Lion-Asia Resources Pte. Ltd. in relation to its off-market takeover bid for Polaris Metals NL.

Yours faithfully
Gilbert + Tobin



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**ASX Announcement
27 November 2009**

**Opening of Offers and Supplementary Bidder's Statement for
Polaris Metals NL (ASX: POL)**

Lion-Asia Resources Pte. Ltd. ("**Lion**") confirms that it has commenced dispatch of the Bidder's Statement in relation to its off-market takeover bids for the shares and options of Polaris Metals NL ("**Polaris**"). Lion envisages that dispatch of the Bidder's Statement to all Polaris securityholders will be completed by close of business today, Friday, 27 November 2009.

The offers under the Bidder's Statement ("**Offers**") are now open for acceptance. The Offers will close at 7:00pm (AEDT) on Tuesday, 29 December 2009, unless extended.

A copy of the Bidder's Statement as dispatched appears in Annexure A to this announcement.

Lion has also today separately lodged with the ASIC, ASX and Polaris a Supplementary Bidder's Statement in respect of the Offers.

For further information, please contact:

Media

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Annexure A: Bidder's Statement

Bidder's Statement



LION-ASIA RESOURCES PTE. LTD.

Lion-Asia Resources Pte. Ltd.

**offers to acquire all of your Polaris Shares
and Polaris Options in**

POLARIS METALS NL

ABN 18 085 223 570

Consideration offered is:

- **\$0.70 cash for each Polaris Share you own; and**
- **comparable cash offer for each Polaris Option you own.**

This document contains important information and requires your immediate attention.

You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional advisor as soon as possible.

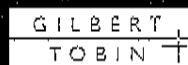
If you have any questions about the Offers or this document, or about how to accept the Offers, please contact the Offer Information Line on 1800 132 875 (toll free within Australia) or +61 2 8280 7733 (not toll free) from outside Australia.

Financial Advisors



Wilson HTM
INVESTMENT GROUP

Legal Advisors



WONGPARTNERSHIP

LAWYERS

This is an Important Document and Requires Your Immediate Attention

You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.

KEY DATES

Bidder's Statement lodged with ASIC and ASX
13 November 2009

Date of Offers
27 November 2009

Date of Offers conditions notice*
22 December 2009

Offers close (unless extended)*
29 December 2009

* This date is indicative only and may be changed as permitted by the Corporations Act.

HOW DO I ACCEPT THE SHARE OFFER?

You may only accept the Share Offer for all of Your Polaris Shares. Acceptances must be received before the end of the Offer Period.

For issuer sponsored holdings of Polaris Shares (Securityholder Reference Number beginning with "I")

To accept the Share Offer, complete the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Issuer Acceptance Form so that it is received before 7.00pm (AEDT time) on the last day of the Offer Period.

For CHES Holdings of Polaris Shares (Holder Identification Number beginning with "X")

To accept the Share Offer, either contact your Controlling Participant (usually your broker) and instruct them to accept the Share Offer on your behalf, or complete the enclosed CHES Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the CHES Acceptance Form.

HOW DO I ACCEPT THE OPTION OFFER?

You may only accept the Option Offer for all of Your Polaris Options. Acceptances must be received before the end of the Offer Period.

To accept the Option Offer, complete and sign the enclosed Option Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Option Acceptance Form so that it is received before 7.00pm (AEDT time) on the last day of the Offer Period.

LION OFFER INFORMATION LINE

If you have any questions in relation to this document, the Offers or how to accept the Offers, please call the Lion Offer Information Line on 1800 132 875 (toll-free for calls made within Australia) or +61 2 8280 7733 (for calls made from outside Australia) from Monday to Friday between 8.30am and 5.30pm (AEDT time). Please note that calls to these numbers may be recorded.

IMPORTANT INFORMATION AND NOTICES

(a) Bidder's Statement

This Bidder's Statement is given by Lion-Asia Resources Pte. Ltd. to Polaris Metals NL ABN 18 085 223 570 under Part 6.5 of the Corporations Act and relates to the Offers. This Bidder's Statement is dated 13 November 2009 and includes in Section 8 a Share Offer dated 27 November 2009 to acquire all of Your Polaris Shares, and in Section 9 an Option Offer dated 27 November 2009 to acquire all of Your Polaris Options.

(b) Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC on 13 November 2009. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

(c) Offers outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

(d) Important notice to US shareholders

The Offers are made for the shares and options of an Australian registered company. It is important that US shareholders understand that the Offers are subject to disclosure requirements in Australia that are quite different from those in the US.

You should be aware that, subject to the Corporations Act, Lion may purchase Polaris Shares or Polaris Options otherwise than under the Share Offer, such as in open market or privately negotiated purchases.

(e) Disclosure regarding forward looking statements

This Bidder's Statement includes certain forward looking statements and statements of current intention (which include those in Section 4 of this Bidder's Statement). As such statements relate to future matters, they are subject to inherent risks and uncertainties. These risks and uncertainties include factors and risks specific to the industries in which Lion and Polaris operate as well as matters such as general economic conditions, many of which are outside the control of Lion and its directors. These factors may cause the actual results, performance or achievements of Lion or Polaris to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forecasts or forward looking statements. The past performance of Lion and Polaris is not a guarantee of future performance.

The forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented as a guide to assist you in assessing the Offers. The forward looking statements are based on information available to Lion as at the date of this Bidder's Statement.

(f) Investment decisions

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should therefore seek your own financial and taxation advice before deciding whether or not to accept the Offers.

(g) Information on Polaris

All information in this Bidder's Statement relating to Polaris has been prepared by Lion using information included in public documents filed by Polaris or published by Polaris on its website. None of the information in this Bidder's Statement relating to Polaris has been commented on or verified by Polaris or its directors or independently verified by Lion or its directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, Lion does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Polaris in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Polaris to provide a Target's Statement to Polaris Shareholders and Polaris Optionholders in response to this Bidder's Statement, setting out certain material information concerning Polaris.

(h) Privacy

Lion has collected your information from the register of Polaris Shareholders and Polaris Optionholders for the purposes of making the Offers and, if accepted, administering your holding of Polaris Shares and/or Polaris Options. The Corporations Act requires the names and addresses of Polaris Shareholders and Polaris Optionholders to be held in a public register. Your information may be disclosed on a confidential basis to Lion's related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. The registered office of Lion is 10 Arumugam Road, #10-00 Lion Building A, Singapore 409957.

(i) Defined terms and interpretation

Unless otherwise noted, capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary in Section 10. That Section also sets out certain rules of interpretation which apply to this Bidder's Statement.

Capitalised terms used in Section 6 (Taxation Implications) are defined in Section 6.

(j) Diagrams and data in groups and tables

Diagrams appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available as at the date of this Bidder's Statement.

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Letter from Tan Sri William Cheng



Tan Sri William Cheng

13 November 2009

Dear Polaris Securityholder,

Off-Market Takeover Bids for Polaris Metals NL (Polaris)

On behalf of Lion-Asia Resources Pte. Ltd. (Lion), we are pleased to enclose the offers by Lion (Lion Offers), to acquire:

- all of your ordinary shares in Polaris (Polaris Shares) for a cash consideration of \$0.70 per share; and
- all of your options in Polaris which have an exercise price that is less than the share offer consideration of \$0.70 (Polaris Options). Under this offer, holders of Polaris Options will receive a cash amount for each option held equivalent to the difference between the Lion share offer consideration of \$0.70 and the exercise price for the option.

The Lion Offers are conditional on various matters set out in Sections 8.9(a) and 9.9(a) of the Lion Bidder's Statement.

Lion believes that the Lion Offers are superior to the offers for Polaris Shares and options announced by Mineral Resources Limited (Mineral Resources) on 20 August 2009 and revised on 15 October 2009 and 11 November 2009 (the Mineral Resources Offers).

Lion is a 50:50 joint venture company incorporated in Singapore as a private limited liability company by SGX-listed Lion Asiapac Limited (LAP), through its wholly-owned subsidiary LAP Exploration Pte. Ltd. (LAPE), and Tan Sri William Cheng, the Chairman of Malaysia's Lion Group, through his wholly-owned private investment company Viral Bond Limited (VBL). Each of these parties is associated with Lion Diversified Holdings Berhad (LDHB), currently a significant shareholder of Polaris with 25.35% of Polaris Shares (LDHB's Polaris Shares) and the holder of 5,047,062 Polaris Options. Lion has a relevant interest in LDHB's Polaris Shares.

The highlights of the Lion Offers include:

- \$0.70 per share all cash offer for Polaris Shares which represents:
 - a 133% premium to Polaris' closing share price of \$0.30 on 14 August 2009, being the last day of trading in Polaris Shares prior to the announcement of the Mineral Resources Offer on 20 August 2009;
 - a 164% premium to the volume weighted average price of Polaris Shares of \$0.265 for the 1 month to 14 August 2009; and
 - a 89% premium to the high point of the Independent Expert's valuation range for Polaris under the Mineral Resources Offer of \$0.37 per Polaris Share.
- cash offer for Polaris Options equal to the difference between the share offer consideration of \$0.70 per Polaris Share and the exercise price for those options.

Lion is making you a substantial cash offer that allows you to realise value for your Polaris Shares and Polaris Options.

Lion believes the Offers are compelling for Polaris Shareholders and Polaris Optionholders for the following reasons:

- Polaris Shareholders will receive a substantial premium for their Polaris Shares and Polaris Optionholders will receive an equivalent cash amount for their Polaris Options;
- Lion's Offer is an all cash offer which enables Polaris Shareholders and Polaris Optionholders to realise value for their Polaris Shares and Polaris Options through a cash payment;
- accepting the Lion Offers provides certainty of value for Polaris Shareholders and Polaris Optionholders; and
- Lion believes that the Lion Offers are superior to the Mineral Resources Offers.

Level 47, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
Tel: (603)21622155/21613166. Telefax: (603)21641036.



Tan Sri William Cheng

We believe that the Offers represent outstanding value for Polaris Shareholders and Polaris Optionholders and provide an excellent opportunity for Polaris Shareholders and Polaris Optionholders to realise value from their investment in Polaris.

We encourage you to accept these Offers as soon as possible. Details of the Offers are set out in the Bidder's Statement, which we encourage you to read in detail. To accept the Offers, please follow the instructions in the Bidder's Statement and on the enclosed transfer and acceptance forms. The Offers are open for you to accept until 29 December 2009, unless extended in accordance with the Corporations Act.

If you have any questions about the Offers, please do not hesitate to call your broker or financial advisor, or call the Offer Information Line on 1800 132 875 (toll free for callers in Australia) or +61 2 8280 7733 (for callers outside Australia).

Yours sincerely

Tan Sri William Cheng
Group Chairman & CEO
The Lion Group

Overview of Lion's Offers

This summary provides an overview of the Offers and is qualified by the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offers.

The Bidder	<p>Lion is a 50:50 joint venture company incorporated in Singapore by SGX-listed LAP, through its wholly-owned subsidiary LAPE, and Tan Sri William Cheng, through his wholly-owned private investment company VBL. Lion has been formed specifically for the purpose of acquiring the Polaris Shares and Polaris Options pursuant to the Offers.</p> <p>Lion has entered into a Co-operation Agreement and Option Co-operation Agreement with LDHB, an associated company of Lion, LAP and Tan Sri William Cheng, and one of Polaris' largest shareholders. As at the date of this Bidder's Statement, LDHB and Lion have a relevant interest in 44,737,912 Polaris Shares which represents 25.35% of Polaris's issued ordinary share capital. Section 2 of this Bidder's Statement contains further information on Lion.</p>
Share Offer	<p>The Share Offer consideration is \$0.70 cash for every Polaris Share. Lion is offering to acquire all of Your Polaris Shares by way of an off-market takeover bid.</p> <p>The Share Offer relates to all Polaris Shares on issue on the Register Date. Polaris Shares which are issued after the Register Date will not be eligible to participate in the Share Offer.</p>
Option Offer	<p>The Option Offer extends to all Polaris options over ordinary shares which have an exercise price that is less than the Share Offer Consideration of \$0.70 per Polaris Share. Under the Option Offer, Polaris Optionholders will receive a cash amount for each Polaris Option held equivalent to the difference between the Share Offer Consideration of \$0.70 and the exercise price of the option. Refer to Section 9.2 for details of the Polaris Options and the amount of cash consideration being offered under the Option Offer.</p>
Offer Period	<p>The Offers close at 7.00pm (AEDT) on 29 December 2009, unless they are extended or withdrawn by Lion.</p>
How to Accept and Payment Date	<p>If you accept the Offers and the Offers become unconditional, Lion will pay you the consideration under the Offers by the earlier of:</p> <ul style="list-style-type: none"> • 21 days after the end of the Offer Period; or • one month after the later of the date of receipt of your valid acceptance and the date on which the relevant Offer becomes unconditional.
Conditions	<p>The Share Offer is subject to Defeating Conditions which are set out in full in Section 8.9(a) of this Bidder's Statement. If the Defeating Conditions are not satisfied or waived the Share Offer will not proceed.</p> <p>The Option Offer is subject to Defeating Conditions which are set out in full in Section 9.9(a) of this Bidder's Statement. If the Defeating Conditions are not satisfied or waived the Option Offer will not proceed.</p>
Broker Fees	<p>There are no brokerage costs in accepting the Offers (unless Your Polaris Shares are held as a CHESS Holding, or through a bank, custodian or other nominee, and the Controlling Participant, bank, custodian or other nominee charges any transaction fees or service charges in connection with the Polaris Shareholder's acceptance of the Share Offer or any other fees are charged to the Polaris Shareholder).</p>

Why you should accept the Lion Offers

**You will receive a substantial premium
for Your Polaris Shares;**

**The Lion Offers are all cash offers
which enable you to realise value for
Your Polaris Shares and/or Your Polaris
Options through cash payments;**

**Accepting the Offers provides certainty
of value for Your Polaris Shares
and/or Your Polaris Options; and**

**Lion believes the Lion Offers
are superior to the
Mineral Resources Offers.**

Why you should accept the Lion Offers

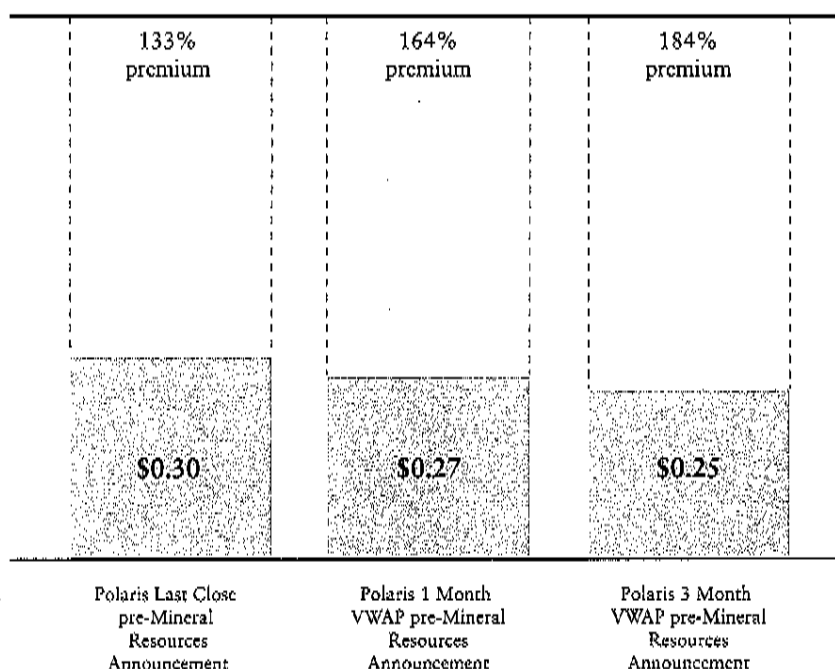
A. YOU WILL RECEIVE A SUBSTANTIAL PREMIUM FOR YOUR POLARIS SHARES

Lion is offering \$0.70 for each Polaris Share you own under the Share Offer. This represents:

- a 133% premium to Polaris' closing share price of \$0.30 on 14 August 2009, being the last day of trading in Polaris Shares prior to the announcement of the Mineral Resources Offer on 20 August 2009;
- a 164% premium to the volume weighted average price of Polaris Shares of \$0.265 for the 1 month to 14 August 2009; and
- a 184% premium to the volume weighted average price of Polaris Shares of \$0.247 for the 3 months to 14 August 2009.

The graph below illustrates the premium represented by the cash consideration for \$0.70 per Polaris Share being offered by Lion relative to Polaris' trading prices on the ASX prior to the announcement of the Mineral Resources Offer on 20 August 2009, and versus the implied pricing of the Mineral Resources Offer for Polaris' Shares as at 16 October 2009.

Lion Cash Offer = \$0.70 per Polaris Share

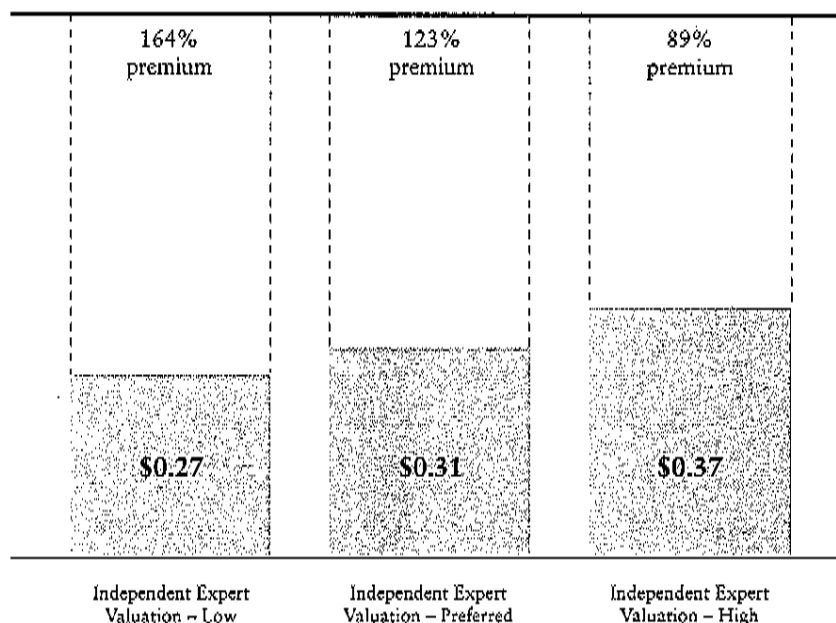


The Independent Expert has assessed a fair value range for Polaris Shares of between \$0.265 and \$0.370 per Polaris Share.

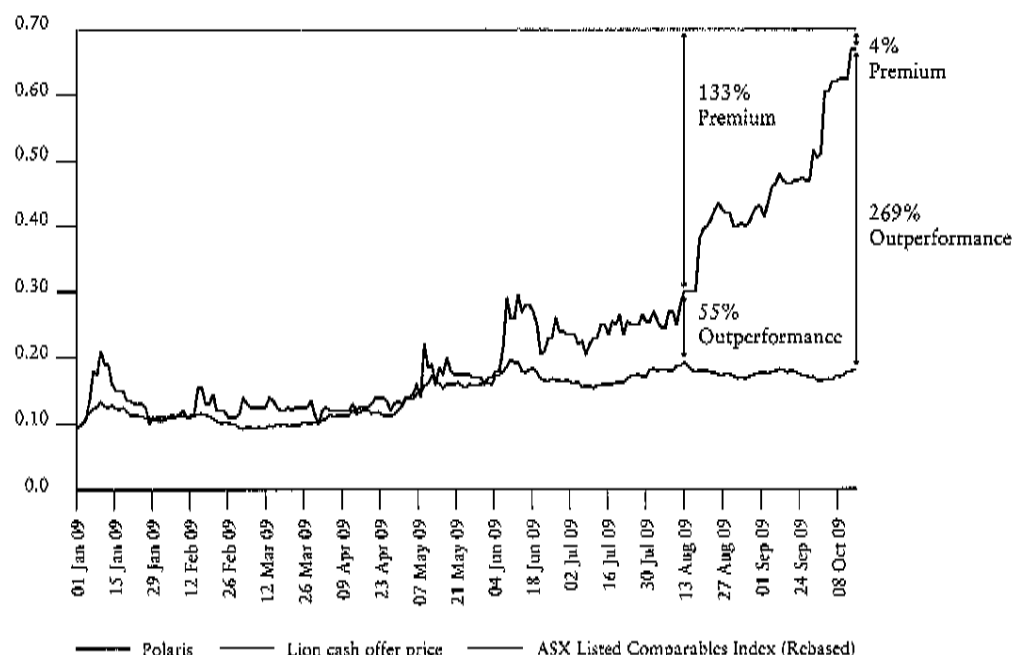
Lion's Offer of \$0.70 per Polaris Share represents a premium of between 164% and 89% to the Independent Expert's assessment of fair value for Polaris Shares (including a premium for control).

Why you should accept the Lion Offers

Lion Cash Offer = \$0.70 per Polaris Share



Lion considers the premium being offered to be particularly attractive given the performance of Polaris' share price in 2009 relative to the performance of other ASX listed iron ore explorers. The graph below compares the performance of Polaris' share price to the market capitalisation weighted average performance of its peer group (which has been re-based to demonstrate the relative performance) between 1 January 2009 and 16 October 2009, and highlights the relative performance levels as at 14 August 2009, the last day on which Polaris Shares traded prior to the announcement of the Mineral Resources Offer.



The "ASX Listed Comparables Index (Rebased)" comprises: BC Iron (BCI), Cullen Resources (CUL), Northern Iron (NFE), Resource Mining Corporation (RMI), Ferras (FRS), Helix Resources (HLX), Iron Ore Holdings (IOH), Golden West Resources (GWR), Sundance Resources (SDL), IMX Resources (IXR), Grange Resources (GRR), Admiralty Resources (ADY) and Australasian Resources (ARH). The index has been calculated using a market capitalisation weighted average of daily closing share prices.

Why you should accept the Lion Offers

B. THE LION OFFERS ARE ALL CASH OFFERS WHICH ENABLE YOU TO REALISE VALUE FOR YOUR POLARIS SHARES AND/OR YOUR POLARIS OPTIONS THROUGH CASH PAYMENTS

The Offers are to acquire all of Your Polaris Shares and/or Your Polaris Options for cash. Under the Offers:

- you will receive \$0.70 cash for each Polaris Share you own; and
- you will receive a cash amount for each Polaris Option you own, equivalent to the difference between the Share Offer Consideration of \$0.70 per Polaris Share and the exercise price of each Polaris Option.

C. ACCEPTING THE OFFERS PROVIDES CERTAINTY OF VALUE FOR YOUR POLARIS SHARES AND/OR YOUR POLARIS OPTIONS

Lion's cash consideration provides an opportunity to realise certain value for Your Polaris Shares and/or Your Polaris Options.

By comparison, accepting the Mineral Resources Offers is equivalent to investing in Mineral Resources shares or options. As described in Section 9 of the MIN Bidder's Statement, there are a broad range of risks and uncertainties inherent in an investment in Mineral Resources shares and options, including:

- **Business risks of the merged Mineral Resources and Polaris businesses:**
 - Risks inherent with commercial operations including variations in general economic conditions, demand for Mineral Resources' goods and services, third parties failing to meet their contractual commitments, dependency on senior management, adverse events outside the scope of insurance coverage and changes in government policy and laws;
 - Commodity price, foreign exchange rate and interest rate volatility;
 - The ability to access capital from debt and equity markets to finance future projects or developments and pay future dividends;
 - Changes to the nature or extent of industry competition, adversely affecting Mineral Resources' ability to compete profitably;
 - Risks specific to the resources sector including adverse health, safety or environmental incidents, inability to locate, identify or economically develop mineral deposits, operational and technical difficulties associated with exploration, commissioning and plant operations, industrial disputes, adverse weather conditions and the ability to access plant, equipment and consumables as required and at economic cost; and
 - Risks associated with securing and retaining title to the tenements and leases required for exploration, development and mining.
- **General securities risks:**
 - Price of Mineral Resources shares may rise or fall due to factors outside Mineral Resources' control or as a result of factors unrelated to the financial or operating performance of Mineral Resources; and
 - Potential for trading in Mineral Resources shares to become illiquid, preventing holders of Mineral Resources shares or options from realising their investments.
- **Risks specific to the Mineral Resources Offers:**
 - The market value of Mineral Resources shares may vary significantly between the date of acceptance and the date on which Mineral Resources shares are issued as consideration to Polaris Shareholders;
 - LDHB will not accept the Mineral Resources Offer on its current terms and Mineral Resources will not achieve acceptances of at least 80% of the voting shares in Polaris. As a result, scrip-for-scrip capital gains tax rollover relief will not be available to Australian resident shareholders and Polaris Shareholders will require access to alternative cash sources to meet taxation obligations arising from the sale of their Polaris Shares;
 - A number of Polaris Shareholders may elect to sell some or all of their Mineral Resources shares issued as consideration, which may adversely impact on the price of and demand for Mineral Resources shares; and
 - Integration of Polaris' management, information systems and work practices entails some risk, including additional costs being incurred, and there is no guarantee that any cost savings or synergy benefits will be achieved.

In accepting the Lion Offers, Polaris Shareholders and Polaris Optionholders will cease to be exposed to these risks, and will receive a significant premium for their Polaris Shares and Polaris Options as consideration.

Why you should accept the Lion Offers

D. LION BELIEVES THE OFFERS ARE SUPERIOR TO THE MINERAL RESOURCES OFFERS

Lion believes the Lion Offers are superior to the Mineral Resources Offers because:

- the Lion Offers provide certainty for Polaris Securityholders through a 100% cash payment which compensates them appropriately for a change of control;
- the scrip component of the Mineral Resources Share Offer comprises more than 90% of the implied value of the Mineral Resources Share Offer¹;
- LDHB will not accept the Mineral Resources Offer on its current terms and Mineral Resources will not achieve acceptances of at least 80% of the voting shares in Polaris. As a result, scrip-for-scrip capital gains tax rollover relief will not be available to Australian resident shareholders and Polaris Shareholders will require access to alternative cash sources to meet taxation obligations arising from the sale of their Polaris Shares; and
- Lion continues to believe there is significant uncertainty around the inherent value of the scrip component of the Mineral Resources Share Offer, which comprises more than 90% of the implied value of that offer², because:
 - as set out in section C above, there are a range of risks and uncertainties inherent in an investment in Mineral Resources;
 - historically, trading in Mineral Resources shares has been relatively illiquid. In the period between 1 January 2009 and 19 August 2009 (being the last day of trading in Mineral Resources shares prior to the announcement of the Mineral Resources Offer), approximately 15.1 million Mineral Resources shares were traded, representing an average daily turnover of approximately 94,000 shares. If the Mineral Resources Share Offer is accepted by all Polaris Shareholders except LDHB, under the terms of the Mineral Resources Share Offer, 13,175,430 Mineral Resources shares will be issued to Polaris Shareholders. Should a significant proportion of Polaris Shareholders choose to sell some or all of the Mineral Resources shares issued, the relatively illiquid trading in Mineral Resources shares suggests that:
 - there is the potential for significant downward pressure on the Mineral Resources share price; and
 - the sale of the Mineral Resources shares in such circumstances is likely to take a significant period of time (approximately 6-7 months based on historical trading volumes).
 - historically, Mineral Resources shares have traded at much lower prices than their current value. Between 1 January 2009 and 19 August 2009, the Mineral Resources share price ranged from a low of \$2.01 per share to a high of \$4.80 per share. Taking the high of \$4.80 per share, this values the consideration under the Mineral Resources Share Offer at \$0.53 per Polaris Share. Lion's Offer of \$0.70 per Polaris Shares represents a premium of 32% to this value; and
 - the Independent Expert assessed a fair indicative value for Mineral Resources' shares of between \$4.19 and \$4.77 per Mineral Resources share, with a preferred value of \$4.45 per share based on the volume weighted average last sale price for the period 1 August 2009 to 19 August 2009. Applying the preferred value of \$4.45 per share, this values the consideration under the Mineral Resources Share Offer at \$0.495 per Polaris Share. Lion's Offer of \$0.70 per Polaris Share represents a premium of 41% to this value.

Lion believes that the Lion Option Offer is also superior to the Mineral Resources Option Offer. Under the Lion Option Offer, Polaris Optionholders will receive a cash amount for each option held equivalent to the difference between the Share Offer Consideration of \$0.70 and the exercise price of the Polaris Option.

By comparison, Mineral Resources proposes issuing Polaris Optionholders new Mineral Resources options. For Polaris Optionholders to be in an equivalent financial position to accepting the Lion Option Offer, Mineral Resources' share price would need to increase to at least \$8.75.³

1 Based on the closing price of Mineral Resources shares on ASX of \$6.97 on 10 November 2009.

2 Based on the closing price of Mineral Resources shares on ASX of \$6.97 on 10 November 2009.

3 "Equivalent financial position" is calculated as the share price at which Mineral Resources would need to trade at for a Polaris Optionholder to receive the same cash proceeds from the exercise of Mineral Resources options issued as consideration for Polaris Options and the subsequent sale of the Mineral Resources shares issued as a result of that exercise (excluding any transaction and financing costs and the time value of money). For example, a Polaris Optionholder with 12,500 Polaris Options with an exercise price of \$0.40 expiring 31 December 2011 (Polaris Tranche 4) would receive \$3,750 from accepting the Lion Option Offer. Under the Mineral Resources Option Offer, the same Polaris Optionholder would receive 1,000 Mineral Resources options with an exercise price of \$5.00 expiring 31 December 2011. If these 1,000 options were exercised and the Mineral Resources shares then sold on-market, in order to realise net proceeds (after the cost of exercising the option) of \$3,750, the shares would need to be sold for \$8.75 (i.e. \$8,750 from the sale of shares less \$5,000 costs to exercise the options, leaving net proceeds of \$3,750).

Frequently asked questions

The table below answers some key questions that you may have about the Offers and should be read in conjunction with the remainder of this Bidder's Statement. You are strongly encouraged to read the entire Bidder's Statement before deciding how to deal with Your Polaris Shares and/or Your Polaris Options.

Question	Answer
What are the Offers?	<p>Lion is making Offers to acquire all of Your Polaris Shares and/or all of Your Polaris Options.</p> <p>The Share Offer relates to all Polaris Shares on issue at the Register Date. The Share Offer consideration is \$0.70 cash for each Polaris Share.</p> <p>The Option Offer extends to all Polaris options over ordinary shares which have an exercise price that is less than the Share Offer Consideration of \$0.70 per Polaris Share.</p> <p>Under the Option Offer, Polaris Optionholders will receive a cash amount for each Polaris Option held equivalent to the difference between the Share Offer Consideration of \$0.70 and the exercise price of the Polaris Option.</p> <p>Refer to Section 9.2 for details of each class of Polaris Option and the amount of cash consideration being offered under the Option Offer.</p>
What is the Bidder's Statement?	<p>The Bidder's Statement was prepared by Lion for distribution to Polaris Shareholders and Polaris Optionholders. The Bidder's Statement describes the terms of Lion's Offers for Your Polaris Shares and/or Your Polaris Options and information relevant to your decision whether or not to accept the Offers.</p> <p>The Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.</p>
Who is Lion?	<p>Lion is a 50:50 joint venture company incorporated in Singapore by SGX-listed LAP, through its wholly-owned subsidiary LAPE, and Tan Sri William Cheng, through his wholly-owned private investment company VBL. Refer to Section 2 for more information on Lion.</p>
How do I accept the Share Offer?	<p>To accept the Share Offer you should follow the instructions set out in Section 8.4 and on the Acceptance Form. Your acceptance must be received before the Offer Period ends.</p>
How do I accept the Option Offer?	<p>To accept the Option Offer you should follow the instructions in Section 9.4 and on the Option Acceptance Form. Your acceptance must be received before the Offer Period ends.</p>
Are there any conditions to the Offers?	<p>The Share Offer is subject to several Defeating Conditions which are set out in Section 8.9(a) of this Bidder's Statement.</p> <p>The Option Offer is subject to several Defeating Conditions which are set out in Section 9.9(a) of this Bidder's Statement.</p>
How long are the Offers open for?	<p>The Offers open on 27 November 2009 and are scheduled to close at 7.00pm (AEDT) on 29 December 2009 (unless extended).</p>

Question	Answer
Do I have to pay any fees?	No brokerage, charges or stamp duty will be payable by you on the acceptance of the Offers. You may incur brokerage costs and GST on those costs, if you choose to sell Your Polaris Shares on ASX.
What should I do?	<p>To accept the Offers, you should:</p> <ul style="list-style-type: none"> (a) read this Bidder's Statement in full; (b) read the Polaris Target's Statement in full (when issued); (c) consult your broker, legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offers; (d) accept the Share Offer in the manner described in Section 8.4 and on the Acceptance Form; and (e) accept the Option Offer in the manner described in Section 9.4 and on the Option Acceptance Form. <p>If you have any queries about the Offers, you may also call the Lion Offer Information Line on 1800 132 875 (or +61 2 8280 7733 for overseas domiciled holders) between 8.30am and 5.30pm (AEDT) Monday to Friday.</p>
What choices do I have as a Polaris Shareholder?	<p>As a Polaris Shareholder, you have the following choices in respect of Your Polaris Shares:</p> <ul style="list-style-type: none"> • accept the Share Offer; • sell Your Polaris Shares on ASX (unless you have previously accepted the Share Offer for Your Polaris Shares); • accept the Mineral Resources Share Offer; or • do nothing.
What choices do I have as a Polaris Optionholder?	<p>As a Polaris Optionholder, you have the following choices in respect of Your Polaris Options:</p> <ul style="list-style-type: none"> • accept the Option Offer; • accept the Mineral Resources Option Offer; • subject to the terms of issue, exercise Your Polaris Options for the issue of Polaris Shares (you should note that the Share Offer does not extend to Polaris Shares which are issued as a result of the exercise of Polaris Options after the Register Date) and either retain those shares or sell them on ASX; or • do nothing.
If I accept the Share Offer and/or the Option Offer, when will I receive consideration for my Polaris Shares and/or Polaris Options?	<p>If you accept the Share Offer and/or the Option Offer and the relevant Offer becomes unconditional, Lion will pay you the consideration under the relevant Offer by the earlier of:</p> <ul style="list-style-type: none"> • 21 days after the end of the Offer Period; or • one month after the later of the date of receipt of your valid acceptance and the date on which the relevant Offer becomes unconditional.

Frequently asked questions (cont.)

Question	Answer
What happens if I accept the Share Offer?	Once you accept the Share Offer (even while it remains subject to Defeating Conditions) you will not be able to sell Your Polaris Shares or otherwise deal with the Rights attaching to Your Polaris Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.
What happens if I do not accept the Share Offer?	If you do not accept the Share Offer you will remain a Polaris Shareholder and will not receive any cash consideration.
What happens if I accept the Option Offer?	Once you accept the Option Offer (even while it remains subject to Defeating Conditions) you will not be able to sell Your Polaris Options or otherwise deal with the Rights attaching to Your Polaris Options, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.
What happens if I do not accept the Option Offer?	If you do not accept the Option Offer you will remain a Polaris Optionholder and will not receive any cash consideration.
What are the tax implications of accepting the Offers?	<p>A general description of the taxation treatment for certain Australian resident Polaris Shareholders and Polaris Optionholders accepting the Offers is set out in Section 6.</p> <p>You should not rely on that description as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offers for Your Polaris Shares and/or Your Polaris Options.</p>

Overview of the Offers

1.1 SUMMARY OF SHARE OFFER TERMS

Lion offers to acquire all of Your Polaris Shares for \$0.70 cash per share on the Share Offer Terms.

The Share Offer relates to Polaris Shares that exist as at the Register Date.

Under the Share Offer Terms, the amount of consideration you receive directly from Lion will be reduced by the amount or value of any Rights attaching to Polaris Shares, on or after the Announcement Date, which Lion does not receive.

Offer Period

The Share Offer is scheduled to close at 7.00pm (AEDT time) on 29 December 2009 (but it may be extended or withdrawn in accordance with the Corporations Act).

Payment Date

If you accept the Share Offer, you will be paid the consideration to which you are entitled on or before one month after the later of the date of receipt of your valid acceptance and the date on which the Share Offer becomes unconditional (and in any event on or before 21 days after the end of the Offer Period).

Conditions

The Share Offer is subject to several Defeating Conditions which are set out in Section 8.9(a) of this Bidder's Statement.

How to accept the Share Offer

The Share Offer may only be accepted for all of Your Polaris Shares.

How you accept the Share Offer depends on whether Your Polaris Shares are in an Issuer Sponsored Holding or a CHESS Holding. You will have been sent an Acceptance Form with this Bidder's Statement (an Issuer Acceptance Form or a CHESS Acceptance Form), which will be the Acceptance Form to be used in relation to Your Polaris Shares:

- (a) If you hold Your Polaris Shares in an Issuer Sponsored Holding (your SRN starts with an "I"), to accept the Share Offer you must complete, sign and return the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form (and set out below) before the end of the Offer Period.
- (b) If you hold Your Polaris Shares in a CHESS Holding (your HIN starts with an "X"), to accept the Share Offer you must either:
 - (i) instruct your Controlling Participant (for example, your broker) to initiate acceptance of the Share Offer before the end of the Offer Period; or
 - (ii) complete the accompanying CHESS Acceptance Form and send the completed CHESS Acceptance Form (together with all other documents required by the instructions on the form) directly to your broker or other Controlling Participant in sufficient time for the Share Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Share Offer on your behalf before the end of the Offer Period; or
 - (iii) complete, sign and return the CHESS Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the form (and set out below) so that your acceptance is received by Lion in time for Lion to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period. This will authorise Lion to instruct your broker or other Controlling Participant to initiate acceptance of the Share Offer on your behalf.
- (c) If you are a Broker or a ASTC Participant, to accept the Share Offer you must initiate acceptance in accordance with the requirements of the ASTC Settlement Rules before the end of the Offer Period.

The postal and delivery addresses for completed Acceptance Forms are as follows:

Link Market Services Limited
Lion-Asia Resources Pte. Ltd. Takeover
Locked Bag A14
Sydney South NSW 1235

The transmission of the Acceptance Form and other documents is at your own risk.

You may deliver the Acceptance Form and any associated documents in person to:

Link Market Services Limited
Lion-Asia Resources Pte. Ltd. Takeover
Level 12, 680 George Street
Sydney NSW 2000

The facsimile number for completed Acceptance Forms is:

+61 2 9287 0309

For full details, see Section 8.4 of this Bidder's Statement.

Overview of the Offers (cont.)

1.2 SUMMARY OF OPTION OFFER TERMS

Lion offers to acquire all of Your Polaris Options on the Option Offer Terms.

The Option Offer relates to Polaris Options that exist as at the Register Date.

Under the Option Offer, Lion is offering cash consideration for Your Polaris Options reflecting the value of the Polaris Options given the Share Offer Consideration of \$0.70 cash for every Polaris Share. As such, Lion is offering a different amount of cash consideration for each class of Polaris Option. Refer to Section 9.2 for details of each class of Polaris Option and the amount of cash consideration being offered under the Option Offer.

Offer Period

The Option Offer is scheduled to close at 7.00pm (AEDT time) on 29 December 2009 (but it may be extended or withdrawn in accordance with the Corporations Act).

Payment Date

If you accept the Option Offer, you will be paid the consideration to which you are entitled on or before one month after the later of receipt of your valid acceptance and the date on which the Option Offer becomes unconditional (and in any event on or before 21 days after the end of the Offer Period).

Conditions

The Option Offer is subject to several Defeating Conditions which are set out in Section 9.9(a) of this Bidder's Statement.

1.3 HOW TO ACCEPT THE OPTION OFFER

The Option Offer may only be accepted for all of Your Polaris Options.

You will have been sent an Option Acceptance Form with this Bidder's Statement, which will be the Option Acceptance Form to be used in relation to Your Polaris Options.

To accept the Option Offer you must complete, sign and return the enclosed Option Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form (and set out below) before the end of the Offer Period.

The postal and delivery addresses for completed Option Acceptance Forms are as follows:

Link Market Services Limited
Lion-Asia Resources Pte. Ltd. Takeover
Locked Bag A14
Sydney South NSW 1235

The transmission of the Option Acceptance Form and other documents is at your own risk.

You may deliver the Option Acceptance Form and any associated documents in person to:

Link Market Services Limited
Lion-Asia Resources Pte. Ltd. Takeover
Level 12, 680 George Street
Sydney NSW 2000

The facsimile number for completed Option Acceptance Forms is:

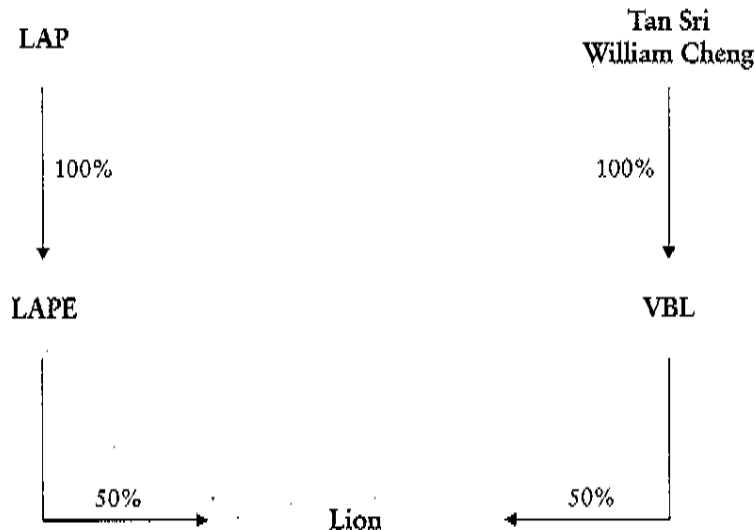
+61 2 9287 0309

For full details see Section 9.4 of this Bidder's Statement.

Information on Lion

2.1 OVERVIEW OF LION

Lion is a 50:50 joint venture company incorporated in Singapore by SGX-listed LAP, through its wholly-owned subsidiary LAPE, and Tan Sri William Cheng, through his wholly-owned private investment company VBL. The ownership structure of Lion is set out below.



As a result of the execution of the Co-operation Agreement with LDHB, Lion has a relevant interest in the 25.35% of the Polaris Shares held by LDHB. A summary of the key terms of the Co-operation Agreement is set out in Section 7.5.

As at the date of this Bidder's Statement, the directors of Lion are Loh Kgai Mun and Wang Wing Ying.

Mr Loh Kgai Mun

Mr Loh was appointed as a director of Lion on 25 September 2009. Mr Loh is LAP's nominee to the Lion Board. Mr Loh has been the Executive Director of LAP since August 2008.

Mr Loh has broad experience in finance and various operational and management functions, multi-national manufacturing organisations as well as listed companies. He has been the Group General Manager of LAP since October 2006, overseeing operational, financial and management matters of LAP. Additionally, he is also involved in strategic planning. Mr Loh also oversees the set up and expansion of LAP's limestone processing division in Banting, Malaysia.

Mr Loh joined the Lion Group in 1998 as the Financial Controller of LTC Telecommunications Pte. Ltd. and was responsible for Lion Teck Chiang Limited's (LTC) telecommunication investment in China. Concurrently, he also headed the Group Internal Audit department and Group MIS department for both LAP and LTC.

Mr Wang Wing Ying

Mr Wang was appointed as a director of Lion on 25 September 2009. Mr Wang is Tan Sri William Cheng's nominee to the Lion Board.

Mr Wang is the General Manager of Finance of the Lion Group. He is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He also holds an Advanced Diploma in Business Administration (UK).

He has 30 years of experience in the Lion Group and is well exposed in corporate work encompassing the area of formulation of group corporate/financial strategy and policy, corporate treasury and financial management, project feasibility studies and implementation of new projects, mergers and acquisitions, bridge financing, financial and business risk assessment and management, debt and organisational restructuring as well as group accounts and consolidation. Prior to joining The Lion Group, he was with The Philips Group.

Information on Lion (cont.)

2.2 TAN SRI WILLIAM CHENG

Tan Sri William Cheng is the Chairman of LDHB and the sole shareholder and director of VBL, the 50% owner of Lion. VBL is Tan Sri William Cheng's private investment company.

Tan Sri William Cheng was appointed to the board of LDHB on 27 October 1989 and has been the Chairman of LDHB since 17 December 1994. Tan Sri William Cheng has more than 35 years of experience in the business operations of the Lion Group.

Tan Sri William Cheng is the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor.

Tan Sri William Cheng's other directorships in public listed companies in Malaysia, Singapore and Hong Kong are as follows:

- (a) Chairman of Lion Forest Industries Berhad and Parkson Retail Group Limited;
- (b) Chairman and Managing Director of Lion Corporation Berhad and Parkson Holdings Berhad; and
- (c) Director of LTC.

Through his direct and indirect shareholding in LDHB, Tan Sri William Cheng controls LDHB for the purposes of section 608(3)(b) of the Corporations Act. As a result, Tan Sri William Cheng has a relevant interest in the 25.35% of Polaris Shares which are held by LDHB.

2.3 LAP

LAP is a company that is listed on the SGX-ST. LAP is an investment holding company while its subsidiaries are engaged in the business of supplying quicklime, electronics contract manufacturing and scrap metal trading. LAP is currently looking at undertaking new investment projects that will broaden its asset and earnings base, and provide alternative sources of recurring income and earnings.

As at the date of this Bidder's Statement, the directors of LAP are Othman Wok, Loh Kgai Mun, Cheng Theng How, Ying Yoke Kwai, Sam Chong Keen and Wong See Meng. A brief summary of the LAP Board is set out below.

- (a) **Othman Wok:** Mr Othman has been the Chairman of the LAP Board and an Independent Director since March 1996. He is also the Chairman of the LAP Audit Committee, Nominating Committee, Remuneration Committee and ESOS Committee.

Mr Othman was the Minister for Social Affairs in Singapore for 14 years from 1963 to 1977, and then served as the Singapore Ambassador to Indonesia until 1980. He was the Singapore Honorary Consul at the Consulate of the Principality of Monaco from 1996 to 1999. Mr Othman is currently a permanent member of the Presidential Council for Minority Rights since March 1981.

- (b) **Loh Kgai Mun:** Mr Loh has been the Executive Director of LAP since August 2008.

Mr Loh is also a director of Lion. His profile appears above in Section 2.1 of this Bidder's Statement.

- (c) **Cheng Theng How:** Mr Cheng has been a Non-Executive Director of LAP since February 1997 and is a member of the LAP Audit Committee and Remuneration Committee.

Mr Cheng is currently the General Manager and a director of Angkasa Hong Leong Pte. Ltd., which distributes steel and iron products and is a subsidiary of SGX-listed LTC. Concurrently, Mr Cheng is also the Executive Director of Antara Steel Mills Sdn. Bhd. (Antara), a subsidiary of Lion Industries Corporation Berhad which is listed on Bursa Malaysia Securities Berhad (BMSB). Antara manufactures steel products such as steel reinforcement bars and angle bars, for supply to the local construction industry and export markets.

- (d) **Ying Yoke Kwai:** Mr Ying has been an Independent Director of LAP since March 1996 and is a member of the LAP Audit Committee, Nominating Committee, Remuneration Committee and ESOS Committee.

Mr Ying joined Lever Brothers (Singapore) Sdn. Bhd. (Lever Brothers), a multi-national company in Singapore, in 1952 as Marketing Assistant. After various rounds of promotion, he became the General Manager for a new factory in 1970 and subsequently served as Director of Administration from 1976 until his retirement in 1981. During his 29 years tenure at Lever Brothers, Mr Ying was involved in and responsible for sales, marketing, advertising, accounting, manufacturing and human resources. Thereafter, he was engaged as a Consultant to the Detergent Division of British Petroleum Plc until 1986.

Mr Ying has also played an active role in social work on a voluntary capacity, especially in the Singapore Chemical Industries Council of which he was responsible for its formation in 1978 and became its first Chairman for 4 years. Thereafter he was its Honorary Chairman for 10 years until 1992.

- (e) **Sam Chong Keen:** Mr Sam is an Independent Director of LAP and is a member of the LAP Nominating Committee. From February 1997 to May 2002, Mr Sam was LAP's Managing Director, as well as Chief Executive Officer and Executive Vice-Chairman of LTC.

Mr Sam is currently the Group President and Executive Director of Jade Technologies Holdings Ltd, which is in the coal mining business. From February 2006 to February 2008, Mr Sam was the Chief Executive Officer

of Xpress Holdings Ltd which provides printing services to the financial sector in the Asia-Pacific region.

Mr Sam has also served as managing director for other publicly listed companies in Singapore, namely Comfort Group Ltd (from 1994 to 1997) and VICOM Ltd (from 1995 to 1997), where he was responsible for their overall management and performance. He joined Intraco Ltd in 1987 and left as its General Manager in 1994. From 1988 to 1991, Mr Sam was also appointed by the Singapore Government as the Political Secretary to the Minister for Education.

Mr Sam currently sits on the boards of Jade Technologies Holdings Ltd and Xpress Holdings Ltd and is also an independent director of Stamford Tyres Corporation Ltd.

(f) **Wong See Meng:** Mr Wong has been a Non-Executive and Independent Director of LAP since August 2008.

Mr Wong is a veteran in the banking and finance industry, with over 30 years of experience in banking and leasing operations, specialising in commercial banking. From 1973 to 1987, Mr Wong served in a number of leasing and finance companies, namely Orient Leasing Singapore Overseas Credit Ltd (now known as ORIX Leasing Singapore Ltd), GATX Leasing (Pacific) Ltd and Forward Overseas Credit Ltd, overseeing the leasing and hire purchase operations of these companies, as well as various business development efforts.

In 1987, Mr Wong joined DBS Group to help reorganise its newly acquired subsidiary, Great Pacific Finance Ltd. In 1992, he assumed the additional role as General Manager of DBS Finance Ltd. Thereafter, he held several leadership positions for the bank's operations in China, Hong Kong and Japan consecutively. In 1997, Mr Wong was appointed as the Managing Director and General Manager for DBS Bank's branches in Tokyo and Taipei concurrently.

After leaving DBS Group in 2001, Mr Wong held managerial positions first in Raffles Medical Group (Hong Kong) and later at Sino Land Group (Hong Kong), spearheading the strategic planning and business development of these companies in the South China region.

In 2003, Mr Wong returned to Singapore and re-joined the finance industry, taking over as the Managing Director of ORIX Leasing Singapore Ltd (ORIX). He was responsible for revamping ORIX's core businesses and charting new directions for the company before leaving ORIX in 2007.

More information (including copies of financial statements) in relation to LAP can be located at the company's website at <http://www.lionapac.com>.

2.4 LDHB

LDHB is a public company and its shares are quoted on BMSB.

LDHB is an investment holding company while its subsidiaries are principally involved in the manufacturing and trading of steel related products and services, property development and management, and manufacturing and marketing of computer casings and electronic related products and services.

The directors of LDHB are Tan Sri William Cheng, Datuk Cheng Yong Kim, Tan Sri Dato' Seri Asch bin Che Mat, Dato' Ismail @ Mansor bin Said, Heah Sieu Lay and George Leong Chee Fook.

The major shareholders of LDHB are Tan Sri William Cheng, Datuk Cheng Yong Kim, Lion Realty Pte. Ltd, Lion Development (Penang) Sdn Bhd, Narajaya Sdn Bhd, Horizon Towers Sdn Bhd, Lion Corporation Berhad, Lion Industries Corporation Berhad, Amsteel Mills Sdn Bhd, Steelcorp Sdn Bhd, LLB Steel Industries Sdn Bhd and Deluxe Venture International Limited.

LDHB has a relevant interest in approximately 67% of the shares in LAP and controls LAP for the purposes of section 608(3)(b) of the Corporations Act.

LDHB is the holder of:

- 44,737,912 Polaris Shares – representing approximately 25.35% of Polaris; and
- 5,047,062 Polaris Options exercisable at \$0.621 and expiring on 4 January 2010.

More information (including copies of financial statements) in relation to LDHB can be located at the company's website at <http://www.lion.com.my/WebCorp/ldhb.nsf/Intro>.

2.5 LION GROUP

LAP, LAPE and LDHB are part of the Lion Group. The Lion Group was established in the 1930's and has operations in Malaysia, Singapore, Indonesia, China, USA, Mexico, Vietnam and Hong Kong. Its main businesses are steel, retail, property development, tyre manufacturing, electronic manufacturing services for electronics and computer peripherals, manufacture of light trucks and oil palm and rubber plantations.

The Lion Group includes five companies listed on BMSB with another two each in Indonesia and Singapore and one in Hong Kong. It has an annual group turnover of approximately RM\$18 billion (approximately AUD\$5.97 billion) and provides employment for approximately 25,500 people.

Information on Lion (cont.)

The business units of the Lion Group are outlined below:

Steel

The Lion Group's steel businesses are involved in iron and steel making, rolling of flat and long products and downstream manufacturing of various steel products including steel service centres.

Retail

The Lion Group's investment in the retailing industry is through its chain of 82 Parkson departments stores, with 35 in Malaysia, 42 in China, and 5 in Vietnam.

Property Development

The Lion Group's property division is involved in the entire spectrum of property investment, development and management of various types of properties. Its portfolio includes major townships, high-rise serviced suites, office towers, industrial parks, shopping malls, hotels, resorts, golf courses and others.

Tyre

Silverstone Berhad undertakes the Lion Group's tyre manufacturing operations in Malaysia and produces tyres to world-class standards.

Computer

The Likom Group of Companies located in Melaka is a fully integrated electronic manufacturing services manufacturer of electronics and computer peripherals.

Motor

The Lion Group assembles and distributes the Dong Feng and JAC brands of light trucks from China in Malaysia.

Plantation

In its agri-products business, the Lion Group has interests in oil palm and rubber plantations covering a total of 82,403 hectares in Malaysia and Indonesia.

Information on Polaris

3.1 PROFILE OF POLARIS

Polaris is a minerals exploration company focusing on projects prospective for iron ore with the majority of the projects located in the Southern Cross region of Western Australia.

A summary of Polaris' key projects appears below.

The Yilgarn Iron Ore Project encompasses approximately 1,000 km² of mining tenements 50km north of Koolyanobbing in Western Australia. Most of the mining tenements in the Yilgarn Iron Ore Project are held 100% by Polaris. Iron ore rights for the tenements are held 100% by Polaris.

As at December 2008, Polaris Metals updated the resource estimate for the Carina deposit within the Yilgarn Iron Ore Project. At a 55% Fe cutoff, the estimate resulted in an Inferred Mineral Resource of 27.8 million tonnes @ 58.6% Fe., representing a 79% increase in resource tonnage in comparison with the May 2008 resource estimate.

The Poondano project is 30km southeast of Port Headland and comprises an exploration licence enclosing a series of channel iron deposits that extend discontinuously over more than 20km. Polaris has entered into an agreement with Process Minerals International, a subsidiary of Mineral Resources to fund a feasibility study and the subsequent development and operation of the Poondano project in exchange for a royalty stream attached to the quantity of iron ore produced.

The Bullfinch North project is located 80km north-west of Polaris' Yilgarn Iron Ore Project in the Southern Cross region of Western Australia and contains a number of hematite direct shipping ore and magnetite iron prospects including Mayfield and Fish Hook. The major prospect, Mayfield, has an exploration target of more than 100 million tonnes including several million tonnes of hematite direct shipping ore and large tonnes of magnetite with grades up to 50%.

The Weelumurra project is in the Pilbara region and comprises two tenements covering 170 km² – Caliwinga and Weelumurra, respectively 170km and 185km south-southeast of the iron ore port of Dampier. Following the grant of the Caliwinga tenement, ground and further helicopter reconnaissance was completed in late June and early July 2009. A heritage agreement with the traditional owners of the Weelumurra tenement was reached in early July 2009. The Weelumurra tenement was granted in October 2009. Field reconnaissance of the area will continue after the current takeover activity is completed, with drilling planned subject to approvals in 2010.

In total, the estimated resource potential of Polaris exceeds 400 million tonnes in the four projects identified above and with approximately 5,000 km² of tenements in Western Australia, there remains significant potential for further discoveries.

3.2 DIRECTORS

As at the date of this Bidder's Statement, the Directors of Polaris are:

- Mr Lewis Cross – Non-Executive Chairman;
- Mr Kenneth Hellsten – Managing Director;
- Mr Jonathan Lea – Executive Director;
- Mr Alan Tough – Executive Director; and
- Mr Ian Buchhorn – Non-Executive Director.

3.3 POLARIS SECURITIES

As at the date of this Bidder's Statement, Lion understands that Polaris has the following securities on issue:

- 176,492,216 ordinary shares; and
- 36,772,062 options over unissued shares.

Information on Polaris (cont.)

3.4 TOP TEN SHAREHOLDERS

Based on publicly available information, the top ten Polaris Shareholders as at the date of this Bidder's Statement are as follows:

Polaris Shareholder	Polaris Shares	%
LDHB	44,737,912	25.35%
Heron	39,243,244	22.24%
ANZ Nominees Limited	4,591,750	2.60%
HSBC Custody Nominees Australia Limited	3,762,981	2.13%
Masen Properties Pty Limited	2,730,388	1.55%
McCavana Colin James & Debra Dianne	1,780,000	1.01%
Sheerwater Pty Limited	1,705,000	0.97%
Red Puma Pty Limited	1,600,000	0.91%
Hazurn Pty Limited	1,485,252	0.84%
Potts Timothy	1,400,000	0.79%
TOTAL	103,036,527	58.39%

As at the date of this Bidder's Statement, Mineral Resources has a relevant interest in 31.72% of Polaris Shares as a result of acceptances received under the Mineral Resources Share Offer, including the acceptance from Heron referred to below.

On 1 October 2009, Heron announced that it had accepted the Mineral Resources Share Offer in respect of 34,962,751 Polaris Shares, or approximately 19.9% of Polaris, pursuant to the terms of the Pre-Bid Acceptance Agreement. However, Heron remains the registered holder of these shares.

3.5 DETAILS OF RELEVANT INTERESTS IN POLARIS SECURITIES AND VOTING POWER

As at the date of this Bidder's Statement and the date Offers were first sent:

- Lion has a relevant interest in the 44,737,912 Polaris Shares held by LDHB, which represents approximately 25.35% of the Polaris Shares; and
- Lion has voting power in Polaris of 25.35%.

Lion's relevant interests and voting power in Polaris were acquired as a result of the execution of the Co-operation Agreement with LDHB. A summary of the key terms of that agreement is set out in Section 7.5.

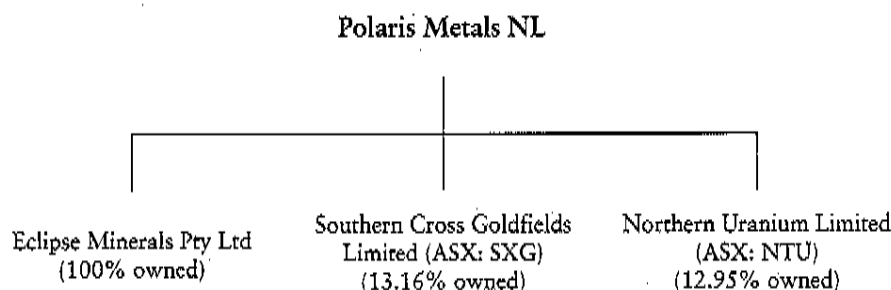
3.6 OPTIONS OVER UNISSUED SHARES

According to the most recent Appendix 3B lodged by Polaris with ASX, Lion understands that there are 36,772,062 options on issue in Polaris as at the date of this Bidder's Statement, with varying terms, expiry dates and exercise prices. A summary of the options on issue in Polaris is set out below.

Polaris Tranche	Key Terms	Total Number on Issue
1	Exercisable at \$0.621 expiring 4 January 2010	5,047,062
2	Exercisable at \$0.281 expiring 31 December 2010	150,000
3	Exercisable at \$0.281 expiring 14 July 2011	14,100,000
4	Exercisable at \$0.40 expiring 31 December 2011	750,000
5	Exercisable at \$0.531 expiring 31 December 2011	5,825,000
6	Exercisable at \$0.531 expiring 31 December 2011	500,000
7	Exercisable at \$0.55 expiring 31 December 2011	1,250,000
8	Exercisable at \$0.55 expiring 31 December 2011	275,000
9	Exercisable at \$0.631 expiring 31 December 2011	50,000
10	Exercisable at \$0.731 expiring 31 December 2011	5,825,000
11	Exercisable at \$0.75 expiring 31 December 2011	3,000,000
TOTAL		36,772,062

Based on publicly available information, as at the date of this Bidder's Statement, Lion understands that the majority of options on issue in Polaris are presently exercisable. However, the Option Offer only extends to the Polaris options which have an exercise price less than the Share Offer Consideration of \$0.70.

3.7 GROUP STRUCTURE OF POLARIS



Based on publicly available information, Lion understands that Polaris has:

- (a) one subsidiary;
- (b) investments in the following two companies:
 - (i) 11,651,774 shares in Southern Cross Goldfields Limited (ASX: SGX) (approximately 13.16% of Southern Cross Goldfield's issued capital as at 30 June 2009; and
 - (ii) 9,425,001 shares in Northern Uranium Limited (ASX: NTU) (approximately 12.95% of Northern Uranium Limited's issued capital as at 24 September 2009.

Information on Polaris (cont.)

3.8 WEBSITE

Polaris maintains a website, www.polarismetals.com.au, which contains further information (including financial information) about Polaris and its operations.

3.9 PUBLICLY AVAILABLE INFORMATION

The information in this Section 3 has been prepared based on a review of publicly available information concerning Polaris. It has not been verified and Lion does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information. The information should not be considered comprehensive.

Further information relating to Polaris's business and issued securities may be included in Polaris's target statement in relation to the Offers.

Polaris is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For more information concerning the financial position and affairs of Polaris, you should refer to the full range of information that has been disclosed by Polaris pursuant to those obligations.

A copy of Polaris's annual report for the financial year ended 30 June 2009 was lodged with ASX on 30 September 2009.

Lion's intentions

4.1 OVERVIEW

This Section 4 sets out Lion's intentions, on the basis of the facts and information concerning Polaris that are known to Lion as at the date of this Bidder's Statement, in relation to the following:

- the continuation of the businesses of Polaris;
- any major changes to the businesses of Polaris and any redeployment of the fixed assets of Polaris; and
- the future employment of the present employees of Polaris.

Lion and its advisors have reviewed information that is publicly available concerning Polaris and its businesses and assets. However, Lion has not undertaken any formal due diligence in relation to Polaris's businesses in connection with the Offers and consequently does not believe that it is aware of all material information, facts and circumstances that may be necessary to enable it to assess all of the operational, commercial, taxation and financial implications of its current intentions.

At the conclusion of its Offers Lion will, to the extent to which it is able, conduct a review of Polaris and its businesses, assets, liabilities and employees following which it will review its intentions as set out in this Section 4. Consequently, the statements set out in this Section 4 are statements of Lion's current intention only, which may change as new information becomes available or circumstances change. The statements in this Section 4 should be read in this context.

4.2 LDHB

The only agreements, arrangements or understandings between Lion and LDHB in relation to Polaris are the Co-operation Agreement summarised in Section 7.4 and the Option Co-operation Agreement summarised in Section 7.6. Under these agreements, LDHB has agreed not to accept the Share Offer in respect of the 25.35% of Polaris Shares it holds and not to accept the Option Offer in respect of the 5,047,062 Polaris Options it holds. As a result, LDHB will continue to hold those shares and options after the Offer Period has ended.

The Co-operation Agreement and the Option Co-operation Agreement will terminate at the end of the Offer Period. After the Co-operation Agreement and the Option Co-operation Agreement have been terminated, LDHB and Lion will act independently in respect of their respective holdings in Polaris and according to their own commercial interest free of any of the restrictions contained in the Co-operation Agreement and the Option Co-operation Agreement.

4.3 LION'S MAXIMUM SHAREHOLDING IN POLARIS

The maximum number of Polaris Shares that Lion can acquire under the Share Offer is 131,754,304 or 74.65% of all Polaris Shares. The maximum number of Polaris Options that Lion can acquire under the Option Offer is 22,900,000 or 62.28% of all Polaris Options. This is because of the commitments given by LDHB pursuant to the Co-operation Agreement and the Option Co-operation Agreement not to accept the Share Offer and the Option Offer in respect of the Polaris Shares and Polaris Options it holds.

If during or at the end of the Offer Period in relation to the Share Offer or the Options Offer, Lion becomes entitled to compulsorily acquire the Polaris Shares or Polaris Options that it or its associates have not acquired a relevant interest in, Lion does not, as at the date of this Bidder's Statement, intend to despatch notices seeking compulsory acquisition of those securities. In this instance, Polaris will become a controlled entity of Lion, but not a wholly-owned subsidiary, and Lion will, to the extent possible, seek to implement the intentions set out in Section 4.4 of this Bidder's Statement.

4.4 INTENTIONS UPON SATISFACTION OF LION MINIMUM ACCEPTANCE CONDITION

As set out in Section 8.9(a)(i), the Share Offer is subject to a condition that by the end of the Offer Period, Lion has received valid acceptances for not less than 50.1% of Polaris Shares that Lion offers to acquire under the Share Offer, excluding:

- the Polaris Shares held by LDHB – representing approximately 25.35% of the Polaris Shares; and
- the Polaris Shares which were the subject of the Pre-Bid Acceptance Agreement between Heron and Mineral Resources dated 20 August 2009 – representing approximately 19.81% of the shares issued in Polaris.

Lion will not waive this condition without the prior consent of ASIC.

As a result, this condition will be satisfied if Lion receives acceptances under the Share Offer in respect of 50.1% of the remaining 54.84% of Polaris Shares. This means that Lion's holding in Polaris after the Share Offer closes could be as little as 27.48% of the Polaris Shares.

This Section 4.4 sets out the intentions of Lion if its minimum acceptance condition is satisfied and the Share Offer otherwise becomes unconditional. The capacity of Lion to implement the intentions set out in this Section is subject to the matters referred to in Section 4.5.

Lion's intentions (cont.)

(a) ASX Listing

Lion intends to seek to maintain Polaris' listing on ASX, subject to Polaris continuing to meet the requirements for listing on ASX. However, Polaris Shareholders and Polaris Optionholders should be aware that in this circumstance the liquidity of Polaris Shares trading on ASX may be materially adversely affected.

(b) Polaris' business, assets and employees

As Lion does not currently have access to all material information, facts and circumstances which are necessary to assess the operational, commercial, taxation and financial implications of its current intentions, final decisions on these matters have not been made. However, following completion of the Offers, Lion will, through its nominee Directors, to the extent possible, conduct a review of the Polaris business and operations to determine the optimal strategy and operational model for the Polaris business. The review will include an evaluation of the performance, profitability and prospects of the Polaris business and seek to develop a detailed plan for the ongoing operation and growth of that business.

Lion believes that the current Polaris employees have been important to the growth of the Polaris business and anticipates that Polaris will continue to employ the majority of Polaris' employees. However, following completion of the Offers, Lion will, through its nominee Directors, to the extent possible, conduct a review of the employment functions of Polaris. Lion anticipates that the review may disclose duplication in some activities and functions or that certain operational functions will become redundant and, as a consequence, some Polaris employees may be made redundant. In the event of redundancies, Lion will seek to ensure that Polaris recognises and complies with the redundancy terms of all relevant employment contracts and industrial agreements or awards.

Subject to the results of the reviews outlined above, Lion currently intends that the business of Polaris will otherwise be continued in substantially the same manner as it is presently being conducted.

(c) Directors

Subject to the Corporations Act and Polaris' constitution, Lion intends to seek to replace some of the current Polaris Directors with its own nominees and will consider seeking to add additional nominee Directors to the Polaris Board, so that the proportion of Lion nominees on the Polaris Board broadly corresponds with Lion's shareholding in Polaris.

No decision has been made at this stage about the identity of the proposed nominees to the Polaris Board.

Whilst Polaris remains listed on ASX, Lion will seek to ensure that the Polaris Board has an appropriate number of independent Directors to represent minority shareholders.

(d) Funding

Lion is committed to supporting Polaris as an ongoing stand-alone corporate entity. In this regard, Lion will use its reasonable endeavours to assist Polaris to procure funding support for its short and medium term funding requirements, including support for capital raising activities for Polaris' working capital requirements and planned exploration programs.

Lion will consult with Polaris and give due consideration to any reasonable request for additional funding that Polaris may make to Lion and is prepared to consider the bases on which it may be prepared to provide additional funding support to Polaris, including (subject to the requirements of the Corporations Act and the Listing Rules) through the provision of shareholder loans on commercial, arm's length terms agreed by Lion and Polaris and (to the extent permitted under the Corporations Act) the exercise of any Polaris Options acquired by Lion under the Option Offer.

Lion will use its reasonable endeavours to, if reasonably requested by Polaris after the Offer Period has expired, and the Defeating Conditions under the Offers have been satisfied or waived, assist Polaris procure third party funding support in respect of project development, exploration activities, general corporate, operational and working capital purposes arising after the Offer Period, whether such support is by way of equity contribution, debt facilitation or otherwise, including by using reasonable endeavours to:

- (a) seek to procure debt funding or financial accommodation from third parties on terms no less favourable to Polaris than commercial arm's length terms;
- (b) seek to procure subscribers for Polaris Shares; and
- (c) introduce Polaris to potential sources of project finance and other forms of credit and assisting Polaris in the negotiation of finance generally.

(e) Dividends

According to the Target's Statement in relation to the bid for Polaris by Mineral Resources, Polaris has never paid a dividend and is not expected, as a stand-alone entity, to pay a dividend for the foreseeable future.

Lion, through its nominees on the Polaris Board, will attempt to ensure that any dividend policy adopted by Polaris in the future reflects an appropriate balance between ensuring that Polaris retains sufficient funds to meet its capital expenditure and working capital requirements and the payment of dividends to shareholders.

(f) Further acquisitions of Polaris Shares

Lion may acquire additional Polaris Shares under the "creep" provisions of the Corporations Act. These provisions would permit Lion and its associates to acquire up to 3% of Polaris Shares on issue every six months. Lion has not yet made a decision whether it will seek to acquire additional Polaris Shares under the "creep" provisions.

(g) Intentions in relation to the exercise of Polaris Options

Lion has obtained relief from ASIC to permit it to acquire a relevant interest in Polaris Shares resulting directly from the exercise of Polaris Options that it acquires under the Option Offer. As at the date of this Bidder's Statement, Lion does not have any intention of exercising the Polaris Options that it acquires under the Option Offer during the Offer Period.

4.5 LIMITATIONS ON INTENTIONS

The implementation of the intentions outlined in this Section 4 will be dependent upon Lion's holding in Polaris after the Share Offer closes and subject to applicable legal requirements. You should note that it may not be possible for Lion to implement some or all of its intentions in the event that it holds less than a controlling interest in Polaris after the Share Offer closes.

Further, Lion expects that the directors appointed by it will act at all times in accordance with their fiduciary and statutory duties and intends that all requisite shareholder approvals and other requirements of law, including the Corporations Act and the Listing Rules, are complied with in pursuing any of the intentions referred to above.

As a result of these requirements, the approval of Polaris shareholders may be required for the implementation of any of the intentions outlined above. The requirement for the Polaris directors to have regard to their fiduciary and statutory duties and the possible requirement to seek approval of Polaris shareholders may prevent a particular intention from being achieved.

4.6 INTENTIONS GENERALLY

Subject to the above, Lion intends on the basis of the facts and information concerning Polaris which are known to it:

- to continue the businesses of Polaris;
- not to make any major changes to the businesses of Polaris or to redeploy Polaris's fixed assets; and
- to continue the employment of Polaris's present employees.

Funding

5.1 MAXIMUM CASH CONSIDERATION

The total maximum cash consideration that Lion will be required to pay under the Offers is \$99,724,887.80, calculated as set out below.

(a) Maximum cash consideration under the Share Offer

As at the Register Date, Lion understands that there are 176,492,216 Polaris Shares on issue. The Share Offer does not extend to Polaris Shares which are issued as a result of the exercise of Polaris Options after the Register Date. Under the Co-operation Agreement, LDHB has agreed that it will not accept the Share Offer in respect of the 44,737,912 Polaris Shares it holds. Therefore, the maximum number of Polaris Shares that Lion may acquire under the Share Offer is 131,754,304.

The consideration for the acquisition of Polaris Shares under the Polaris Share Offer will be satisfied wholly in cash. If the Share Offer is accepted in respect of all 131,754,304 Polaris Shares referred to above, the consideration payable to the Polaris Shareholders holding those Polaris Shares will be \$92,228,012.80.

(b) Maximum cash consideration under the Option Offer

As at the Register Date, Lion understands that there are 27,947,062 Polaris Options on issue. LDHB has agreed with Lion that it will not accept the Option Offer in respect of the 5,047,062 Polaris Options it holds. Therefore, the maximum number of Polaris Options that Lion may acquire under the Option Offer is 22,900,000.

The consideration for the acquisition of those Polaris Options to which the Option Offer relates will be satisfied wholly in cash. If the Option Offer is accepted in respect of all 22,900,000 Polaris Options, the consideration payable to the Polaris Optionholders holding those Polaris Options will be \$7,496,875.00 calculated as follows:

Polaris Tranche	Key terms	Total number on issue	Consideration to be issued for each Polaris Option	Total consideration to be funded
2	Exercisable at \$0.281 expiring 31 December 2010	150,000	\$0.419	\$62,850.00
3	Exercisable at \$0.281 expiring 14 July 2011	14,100,000	\$0.419	\$5,907,900.00
4	Exercisable at \$0.40 expiring 31 December 2011	750,000	\$0.300	\$225,000.00
5	Exercisable at \$0.531 expiring 31 December 2011	5,825,000	\$0.169	\$984,425.00
6	Exercisable at \$0.531 expiring 31 December 2011	500,000	\$0.169	\$84,500.00
7	Exercisable at \$0.55 expiring 31 December 2011	1,250,000	\$0.150	\$187,500.00
8	Exercisable at \$0.55 expiring 31 December 2011	275,000	\$0.150	\$41,250.00
9	Exercisable at \$0.631 expiring 31 December 2011	50,000	\$0.069	\$3,450.00
TOTAL		22,900,000		\$7,496,875.00

5.2 LION'S FUNDING ARRANGEMENTS

To satisfy its obligations to pay the cash consideration payable under the Offers, Lion intends to drawdown on shareholder loans (Shareholder Loans) that will be provided in equal proportions by LAPE and VBL pursuant to the terms of the Joint Venture Agreement. The amount of the Shareholder Loans is sufficient to pay the maximum consideration that will be payable under the Offers (refer to Section 5.1) and Lion's costs and associated expenses of the Offers.

As at the date of this Bidder's Statement, all of the conditions precedent to drawdown of the Shareholder Loans have been satisfied. The material terms of the Shareholder Loans are:

- (a) the funds provided under Shareholder Loans are to be used solely for purpose of acquiring Polaris Shares and Polaris Options under the Offers and meeting the transactions and other costs associated with the Offers;
- (b) the Shareholder Loans will be interest free;

- (c) the Shareholder Loans will be made available to Lion as and when required to ensure that Lion can meet its obligations in connection with the Offers;
- (d) the Shareholder Loans will be repayable by Lion on a date agreed by VBL and LAPE which, unless otherwise agreed, will not be earlier than 12 months after the date of granting the Shareholder Loans; and
- (e) no security will be required to be granted by Lion to LAPE or VBL in respect of the Shareholder Loans.

The funding for the Shareholder Loans from LAPE and VBL will be provided in equal proportions by Lion's ultimate shareholders, LAP and Tan Sri William Cheng respectively. LAP has undertaken to Tan Sri William Cheng and Lion, and Tan Sri William Cheng has undertaken to LAP and Lion, to procure that each of LAPE and VBL will provide their respective proportions of the Shareholder Loans to Lion in accordance with the terms of the Joint Venture Agreement.

LAP and Tan Sri William Cheng will fund LAPE and VBL's respective proportions of the Shareholder Loans in the manner set out below.

LAP (through LAPE)

The funds required by LAP to fund its proportion of the Shareholder Loans will be obtained from its existing cash reserves. The funds available to LAP from its existing cash reserves exceed LAP's proportion of the funding for the Shareholder Loans.

The cash reserves that LAP will draw on to fund its proportion of the Shareholder Loans are on deposit with various financial institutions and will be available to draw upon to ensure that Lion will be able to pay the consideration to Polaris Shareholders and Polaris Optionholders in accordance with the terms of the Lion Offers.

Tan Sri William Cheng (through VBL)

Tan Sri William Cheng will fund his proportion of the Shareholder Loans from the following 2 sources:

- by drawing down on funds under the Facility Agreement in place with Kenanga Investment Bank Berhad (Kenanga), a Malaysian investment bank (Kenanga Facility), and those funds being made available through entities controlled by Tan Sri William Cheng to Tan Sri William Cheng for the purpose of funding for part of the Shareholder Loans; and
- by drawing down under the Amended Facility Agreement with a number of international financiers including JP Morgan Chase Bank, N.A., London (JP Morgan) (Amended Facility Agreement).

A summary of the material terms and conditions of the Kenanga Facility and the Amended Facility Agreement is set out below.

The funds available to Tan Sri William Cheng from the above sources exceed his proportion of the funding required for the Shareholder Loans.

Kenanga Facility

(a) Conditions precedent to drawdown

As at the date of this Bidder's Statement, the only outstanding condition precedent to drawdown under the Kenanga Facility is the pledge of the securities referred to in paragraph (b) below. As at the date of this Bidder's Statement, Lion and Tan Sri William Cheng are not aware of any occurrence or circumstance that would lead to this condition precedent not being satisfied.

(b) Security

Tan Sri William Cheng is required to pledge or procure the pledge of a number of securities quoted on BMSB that he holds (either directly or indirectly through controlled entities) in favour of Kenanga as security under the Kenanga Facility.

(c) Events of default

The events of default applicable to the Kenanga Facility are considered by Lion to be customary for facilities and arrangements of this nature and include:

- the limit of the Kenanga Facility being exceeded;
- the ratio of the value of the pledged securities to the outstanding balance under the Kenanga Facility not being maintained at agreed levels;
- the occurrence of certain customary insolvency events;
- breach, or failure to observe, perform or comply with any of the terms of the agreement by Tan Sri William Cheng, including failure to pay any amount due and payable under the Kenanga Facility;
- if in Kenanga's bona fide opinion, a situation has occurred (whether involving Tan Sri William Cheng or not) which requires Kenanga to take such action as is reasonably necessary to protect Kenanga's interest including, but not limited to, terminating the Kenanga Facility; and
- if, in Kenanga's bona fide opinion, the financial or business condition of Tan Sri William Cheng has materially or adversely changed since the date of his application for the Kenanga Facility.

Funding (cont.)

(d) Representations and warranties

The Kenanga Facility contains representations and warranties given by Tan Sri William Cheng which are considered by Lion to be customary for borrowing arrangements of this nature. As at the date of this Bidder's Statement, Tan Sri William Cheng and Lion are not aware of any breach of a representation or warranty nor any circumstances that would lead to a breach of a representation or warranty.

(e) Repayment

Tan Sri William Cheng must repay all funds advanced under the Kenanga Facility 12 months after the first drawdown under the Kenanga Facility. Early repayment may be required if an event of default occurs under the Kenanga Facility.

The Kenanga Facility may be terminated by Kenanga at any time by written notice to Tan Sri William Cheng without an event of default, in which event, the outstanding balance shall be immediately repayable by Tan Sri William Cheng to Kenanga.

In the event that the Kenanga Facility is terminated on this basis before funds have been drawn down under the facility or before Lion has satisfied its obligation to pay the cash consideration under the Offers to Polaris Securityholders, Tan Sri William Cheng has agreed to provide the funding that would have otherwise been available under the Kenanga Facility by disposing or procuring the disposal of shares he holds (directly and indirectly through controlled entities) in public listed companies. As at the date of this Bidder's Statement, the market value of these shares is materially in excess of the funding available under the Kenanga Facility. These shares:

- are unencumbered and capable of being disposed of free of restrictions and third party interests; and
- can be disposed of on a timely basis to ensure that sufficient cash is available for Lion to comply with its obligations to pay the cash consideration under the Offers.

As at the date of this Bidder's Statement, Tan Sri William Cheng and Lion are not aware of the occurrence of any event of default or of any circumstances that would lead to an event of default under the Kenanga Facility and have not received any notice of termination from Kenanga under the Kenanga Facility.

Amended Facility Agreement

(a) Overview

The borrower under the Amended Facility Agreement is Classima Capital Ltd (Classima Capital), a company controlled by Tan Sri William Cheng. The guarantor under the Amended Facility Agreement is Tan Sri William Cheng.

JP Morgan has agreed to provide Classima Capital with funding under the Amended Facility Agreement, which Classima Capital may use for its general corporate purposes and/or funding on intergroup loan or advances to be made to Tan Sri William Cheng.

(b) Conditions precedent to drawdown

Classima Capital must satisfy certain conditions precedent before making any drawdown under the Amended Facility Agreement, which are considered by Lion to be customary for facilities and arrangements of this nature. As at the date of this Bidder's Statement, the only material conditions precedent to drawdown which have not been satisfied are:

- the execution of formal documentation in relation to the Amended Facility Agreement, including the Amended and Restatement Agreement of the Amended Facility Agreement and associated security documentation having been executed by all relevant parties. It is anticipated that these documents will be executed by all parties before the Offers are despatched to Polaris Securityholders;
- the agent under the Amended Facility Agreement having received all legal opinions required by it in a form and substance acceptable to the agent;
- confirmation that the ratio of the value of the pledged securities to the outstanding balance under the Amended Facility Agreement is not less than certain agreed levels;
- confirmation of the payment of stamp duty on the Amended and Restatement Agreement and certain other documents relating to the Amended Facility Agreement; and
- confirmation that the fees, costs and expenses due from Classima Capital under the Amended Facility Agreement have been paid or will be paid immediately following the satisfaction of the conditions precedent to drawdown.

Upon satisfaction of the conditions precedent, Classima Capital will be entitled to draw on funds under the Amended Facility Agreement. As at the date of this Bidder's Statement, Classima Capital, Tan Sri William Cheng and Lion are not aware of the occurrence of any circumstances that would lead to a condition precedent not being satisfied.

(c) Security

Tan Sri William Cheng has pledged or procured the pledge of a number of securities quoted on BMSB that he holds (either directly or indirectly through controlled entities) as security under the Amended Facility Agreement.

(d) Events of default

The events of default applicable to the Amended Facility Agreement are considered by Lion to be customary for facilities and arrangements of this nature and include:

- any representation or statement made by Classima Capital or Tan Sri William Cheng in connection with the Amended Facility Agreement that is incorrect or misleading in any material respect when made (or when deemed to be made);
- the occurrence of certain customary insolvency events;
- failure by Classima Capital or Tan Sri William Cheng to comply with its/his obligations under the Amended Facility Agreement, including failure by Classima Capital to pay amounts due and payable under the Amended Facility Agreement;
- the ratio of the value of the pledged securities to the outstanding balance under the Amended Facility Agreement not being maintained at agreed levels; and
- any event or circumstance occurs which the majority of lenders reasonably believe will have a material adverse effect on the business of Classima Capital, Tan Sri William Cheng or the listed company whose shares have been pledged under the Amended Facility Agreement (or a subsidiary of that company).

As at the date of this Bidder's Statement, Classima Capital, Tan Sri William Cheng and Lion are not aware of the occurrence of any of these events of default or of any circumstances that would lead to an event of default, or which would give rise to a right to the financiers to terminate the Amended Facility Agreement.

(e) Representations and warranties

The Amended Facility Agreement contains representations and warranties given by Classima Capital and Tan Sri William Cheng which are considered by Lion to be customary for borrowing arrangements of this nature. As at the date of this Bidder's Statement, Classima Capital, Tan Sri William Cheng and Lion are not aware of any breach of a representation or warranty nor any circumstances that would lead to a breach of a representation or warranty.

(f) Repayment

Classima Capital must repay all funds advanced under the Amended Facility Agreement by 17 August 2011. Early repayment may be required if an event of default under the Amended Facility Agreement occurs and has not (where applicable) been remedied.

5.3 PROVISION OF FUNDS

Lion is unaware of any reason which would prevent the funds to be advanced from LAPE and VBL to Lion under the Shareholder Loans from being advanced in sufficient time to enable Lion to pay Polaris Shareholders and Polaris Optionholders who accept the Offers, in accordance with the terms of the Offers.

On the basis of the arrangements described in this Section 5, Lion is of the opinion that it has reasonable grounds for holding the view, and holds the view, that it will be able to provide the consideration offered under the Offers.

Taxation implications

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13 November 2009

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Dear Directors

Lion-Asia Resources Pte. Ltd. (Lion) offer for Polaris Metals NL (Polaris) Australian Taxation Report

You have instructed us to prepare this taxation report (**report**) for inclusion in Lion's Bidder's Statement in relation to the all cash off-market takeover bid (**Offer**) to holders of:

- ordinary shares in Polaris (**Polaris shares**); and
- options to acquire Polaris shares that have been granted by Polaris which have an exercise price that is less than the offer price for each Polaris share (**Polaris options**).

The report outlines the general Australian income tax, stamp duty and goods and services tax (**GST**) consequences for:

- Polaris shareholders who sell their Polaris shares pursuant to the Offer; and
- Polaris optionholders who sell their Polaris options pursuant to the Offer.

The comments outlined below reflect the income tax, stamp duty and GST laws and regulations as at 9am of the date of the report. They do not take into account proposed or anticipated changes of law and do not take into account laws (including tax laws) of countries other than Australia.

The report does not consider:

- all possible Australian tax considerations for every Polaris shareholder or Polaris optionholder;
- the position of:
 - Polaris shareholders who do not hold their Polaris shares solely on capital account – for example, where they buy and sell securities in the ordinary course of business or where they hold their Polaris shares on revenue account or as trading stock; or
 - Polaris optionholders who do not hold their Polaris options solely on capital account - for example, where they buy and sell securities in the ordinary course of business or where they hold their Polaris options on revenue account or as trading stock;
- the consequences for Polaris shareholders or Polaris optionholders who are not residents of Australia for income tax purposes, and who hold (or use) or have held (or used) their Polaris

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shares or Polaris options (as the case may be) at any time as an asset of a permanent establishment in Australia (or in carrying on a business through a permanent establishment);

- the position of Polaris shareholders or Polaris optionholders who acquired their Polaris shares or Polaris options (as the case may be):
 - under an employee share or option plan; or
 - in return for services provided (including services provided by directors); and
- the position of Polaris shareholders or Polaris optionholders who are subject to special taxation rules (for example, banks, insurance companies, tax exempt organisations, superannuation funds, dealers in securities).

If any Polaris shareholder or Polaris optionholder is a subsidiary member of a consolidated group or a MEC (multiple entry consolidated) group (**MEC group**) (both as defined in Part 3-90 of the *Income Tax Assessment Act 1997*), a reference to that Polaris shareholder or Polaris optionholder should be read as a reference to the head entity of that consolidated group or MEC group.

This information contained in this report is of a general nature only. The report is not taxation advice and should not be relied upon as such.

We recommend that each Polaris shareholder and Polaris optionholder seek their own professional advice in relation to the disposal of their Polaris shares or Polaris options (as the case may be) pursuant to the Offer, taking into account their individual circumstances and the applicable laws (including in their country of residence) at the time of the disposal of their Polaris shares or Polaris options.

1 Taxation on the disposal of Polaris shares and Polaris options

If you sell your Polaris shares or Polaris options pursuant to the Offer, you will need to consider the application of provisions of the *Income Tax Assessment Act 1997* (Cth) and the *Income Tax Assessment Act 1936* (Cth) (collectively the **income tax law**) and in particular, the capital gains tax provisions contained in the income tax law.

1.1 Australian resident Polaris shareholders

Polaris shareholders will derive a capital gain in relation to the disposal of a Polaris share to the extent that the amount they receive (or are entitled to receive) for the disposal of that Polaris share is more than their "cost base" in the Polaris share.

Polaris shareholders will realise a capital loss to the extent that the amount they receive (or are entitled to receive) for the disposal of a Polaris share is less than the "reduced cost base" of that Polaris share. Capital losses may only be offset against capital gains realised during the income year or in later income years (subject to any rules which may deny or restrict the use of such losses in the current or a later income year). They cannot be used to reduce a shareholder's income which is not a capital gain.

Polaris shareholders will need to consider the consequences for the disposal of different parcels of shares that they own and acquired at different times. It may be possible that they have derived capital gains on some and capital losses on others.

Taxation implications (cont.)



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Generally, a shareholder's cost base in a Polaris share is the total amount they paid for that Polaris share including their acquisition and disposal costs in respect of the share. However, there are special rules which can affect what the cost base is in that share. The reduced cost base of a Polaris share is usually determined in a similar (but not identical) manner. Again special rules may apply to modify the general rules regarding reduced cost base. We recommend that Polaris shareholders contact their professional tax adviser to help them determine the correct cost base and reduced cost base in their shares.

Net capital gains of Polaris shareholders for the income year are included in their assessable income. Broadly, the net capital gain in respect of an income year is the total of all of the capital gains derived during the income year less any capital losses realised in the income year and any net capital losses arising in previous income years (on the assumption those current year and prior year net capital losses can be utilised). That amount may be reduced further by other concessions, particularly under the discount capital gains tax rules.

Under the discount capital gains tax rules, certain categories of Polaris shareholders, including, individuals and trusts may be eligible for discount capital gains treatment in relation to the Polaris shares that the shareholder has held for at least 12 months (excluding the day of acquisition and the day of disposal, in the case of both days, as determined under the capital gains tax rules) at the time they are taken to have disposed of their Polaris shares. The discount percentage for individuals is 50% (this discount percentage is applied to any remaining discount capital gain). Companies are not eligible for discount capital gains treatment.

1.2 Non-resident Polaris shareholders

If the Polaris shareholder is not a resident of Australia for income tax purposes, they will generally not have to pay Australian income tax on any capital gain when they dispose of their Polaris shares, unless both of the following requirements are satisfied:

- (a) the Polaris shareholder holds a "non-portfolio interest" in Polaris. Broadly, a Polaris shareholder will hold a "non-portfolio interest" in Polaris if it (together with its associates) own, or owned, throughout a 12 month period during the 24 months preceding the sale of their Polaris shares (such sale time being determined under the capital gains tax rules), 10 per cent or more of (broadly) all of the shares in Polaris; and
- (b) the Polaris shares pass the "principal asset test" at the time of the disposal for capital gains tax purposes. In broad terms, Polaris shares would pass the "principal asset test" if the market value of Polaris's direct and indirect interests in Australian land (including leases and mining rights) is more than the market value of its other assets at the time of the disposal for capital gains tax purposes. Detailed calculations are necessary to determine the results of the "principal asset test", particularly when tracing through interposed entities.

If either element is absent, any capital gain made on the disposal of the Polaris shares should not be subject to income tax in Australia.

If a Polaris shareholder holds a "non-portfolio interest" in Polaris, then they should contact Polaris to help them determine if their Polaris shares would pass the "principal asset test".

Except in very limited circumstances, we would not anticipate that a non-resident Polaris shareholder would be entitled to claim a capital loss under the Australian capital gains tax rules.



LAWYERS

1.3 Australian resident Polaris optionholders

The income tax consequences for resident Polaris optionholders who dispose of their Polaris options pursuant to the Offer are similar to the income tax consequences for resident Polaris shareholders who dispose of their Polaris shares (described at section 1.1).

1.4 Non-resident Polaris optionholders

A non-resident Polaris optionholder will generally not have to pay Australian income tax on any capital gain when they dispose of their Polaris options, unless the Polaris options give the Polaris optionholder the option or right to acquire shares that are covered by the requirements referred to in sections 1.2(a) and 1.2(b) above.

If a Polaris optionholder determines that the requirement referred to in section 1.2(a) is satisfied, then they should contact Polaris to help them determine if their Polaris options would pass the "principal asset test" (referred to in section 1.2(b)).

Except in very limited circumstances, we would not anticipate that a non-resident Polaris optionholder would be entitled to claim a capital loss under the Australian capital gains tax rules.

2 Stamp duty

No stamp duty will be payable by the Polaris shareholders or Polaris optionholders on the disposal of their Polaris shares or Polaris options (as the case may be) pursuant to the Offer.

3 GST

No GST will be payable by the Polaris shareholders or Polaris optionholders on the disposal of their Polaris shares or Polaris options (as the case may be) pursuant to the Offer.

Polaris shareholders and Polaris optionholders who are registered for GST may not be entitled to full input tax credits for any GST incurred on costs associated with the disposal of their Polaris shares or Polaris options.

Yours faithfully
Gilbert + Tobin

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Additional information

7.1 SATISFACTION OF CONDITIONS OF THE OFFER

The Share Offer is subject to Defeating Conditions which are set out in full in Section 8.9(a) of this Bidder's Statement. The Option Offer is subject to Defeating Conditions which are set out in full in Section 9.9(a) of this Bidder's Statement.

Lion has provided its consent to Polaris in respect of the issue of any Polaris Shares which occurs as a result of the exercise of Polaris Options. Accordingly, Lion will waive any breach of a Defeating Condition which arises as a result of the issue of such Polaris Shares.

Lion understands that Polaris is proposing to issue 4,000,000 options to Kenneth Hellsten and 375,000 options to Benjamin Nicolson, and will seek the approval of Polaris shareholders for such issue at the Polaris Annual General Meeting to be held on 30 November 2009.

Lion has consented to the issue of the Polaris options to Benjamin Nicolson and will waive any breach of a Defeating Condition which arises as a result of the issue of those options. However, Lion has not consented to the issue of the Polaris options to Kenneth Hellsten and has not made any decision as to whether it will waive any breach of a Defeating Condition which arises as a result of the issue (or agreement to issue) the 4,000,000 Polaris options to Kenneth Hellsten.

Except as set out above, as at the date of this Bidder's Statement, Lion is not aware of any events which would result in a breach of the Defeating Conditions in Sections 8.9(a) or 9.9(a) of this Bidder's Statement.

7.2 ASIC MODIFICATIONS

Lion has relied on the modification to section 636(3) of the Corporations Act set out in ASIC Class Order 01/1543 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to the Class Order, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required by the Class Order, Lion will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to you and other Polaris Securityholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may telephone the Lion Offer Information Line on 1800 132 875 (toll-free for calls made within Australia) or +61 2 8280 7733 (for calls made from outside Australia) from Monday to Friday between 8.30am and 5.30pm (AEDT time).

Lion may rely on class order relief granted by ASIC which applied generally to all persons, including Lion.

7.3 ASIC EXEMPTIONS

Joint Bid Relief

Lion, LAPE, LAP and VBL have obtained an exemption from ASIC from section 606 of the Corporations Act in respect of the acquisition by them of a relevant interest in the 44,737,912 Polaris Shares held by LDHB under the Co-operation Agreement. The terms of the ASIC exemption are set out in Annexure B.

The conditions of the ASIC exemption include that:

- (a) the Share Offer must be subject to a defeating condition that, during or at the end of the Offer Period, Lion has received valid acceptances for not less than 50.1% of Polaris Shares that Lion offers to acquire under the Share Offer excluding:
 - (i) any Polaris Shares in which Lion, LDHB, Tan Sri William Cheng, VBL, LAPE, LAP and their respective associates have a relevant interest at the beginning of the Offer Period; and
 - (ii) any Polaris Shares the subject of the Pre-bid Acceptance Agreement between Heron and Mineral Resources dated 20 August 2009;
- (b) Lion and LDHB must use their best endeavours to have Polaris engage an independent expert to prepare a report on whether, in the expert's opinion, the Share Offer is fair and reasonable to Polaris Shareholders not associated with Lion, LDHB, Tan Sri William Cheng, VBL, LAPE, LAP or their respective associates; and
- (c) Lion and LDHB must immediately terminate or procure the termination of the Co-operation Agreement, and any other agreements or arrangements between any of Lion, LDHB, Tan Sri William Cheng, VBL, LAPE, LAP and their respective associates in relation to the Share Offer, if the Share Offer does not proceed, or fails, because of a Defeating Condition that has been neither satisfied nor waived.

Relief relating to Polaris Options

Lion has obtained an exemption from ASIC under section 655A(1) of the Corporations Act to allow Lion to treat all Polaris Options as a single class of securities for the purposes of the Option Offer. This exemption is set out in Annexure C.

The effect of the ASIC relief is to allow:

- (a) Lion to treat the different classes of unlisted Polaris Options that have an exercise price which is less than the Share Offer Consideration as one class of options for the purpose of the Option Offer; and
- (b) the Option Offer to offer a different consideration for each class of Polaris Option, having regard to the different exercise prices and expiry dates of the different Polaris Options.

Lion has also obtained an exemption from ASIC from section 606 of the Corporations Act in respect of the acquisition of a relevant interest in Polaris Shares as a result of Lion exercising Polaris Options that it acquires under the Option Offer. This exemption is set out in Annexure D.

The conditions of the ASIC relief include that:

- (a) Lion has made a bid for all of the Polaris Shares, in respect of which a Bidder's statement will be lodged with ASIC on or about 13 November 2009;
- (b) Lion has made a bid for all of Polaris Options, in respect of which a bidder's statement will be lodged with ASIC on or about 13 November 2009;
- (c) the Option Offer is subject to a non-waivable defeating condition that the Share Offer:
 - (i) becomes, or is declared, unconditional; or
 - (ii) is subject only to conditions that relate only to the happening of an event or circumstances referred to in subsection 652C(1) or (2) of the Corporations Act;
- (d) offers under the Option Offer and the Share Offer are first sent to each holder of the relevant bid class securities on the same day;
- (e) the bidder's statements in respect of the Share Offer and the Option Offer disclose that Lion, VBL, LAPE and LAP have received the relief from ASIC and provide a brief description of the terms of the relief;
- (f) the bidder's statements in respect of the Share Offer and the Option Offer disclose Lion's intentions in relation to the exercise of the Polaris Options it acquires under the Option Offer; and
- (g) the bidder's statements in respect of the Share Offer and the Option Offer disclose that any Polaris shares issued during the Offer Period upon exercise of any Polaris Options acquired by Lion under the Option Offer do not form part of the Share Offer bid class.

7.4 ASX WAIVER

ASX has granted Polaris a waiver from Listing Rule 6.23.4 to the extent necessary to permit Polaris to vary the terms and conditions of all Polaris Options that on their terms are incapable of transfer, to permit their transfer to Lion on the following conditions:

- (a) the Share Offer has been declared unconditional; and
- (b) Lion has acquired voting power in Polaris of more than 50%.

This waiver is set out in Annexure E.

7.5 CO-OPERATION AGREEMENT

LDHB is a substantial shareholder of Polaris, holding approximately 25.35% of the issued shares of Polaris. Lion and LDHB have entered into a Co-operation Agreement under which LDHB has agreed:

- (a) not to accept the Share Offer in respect of LDHB's Polaris Shares; and
- (b) in the absence of a superior proposal not matched by Lion, not to dispose, sell or otherwise transfer (or agree to do any of those things) any of LDHB's Polaris Shares to any other person.

By virtue of the Co-operation Agreement:

- (a) Lion has acquired a relevant interest in LDHB's Polaris Shares; and
- (b) VBL, LAPE and LAP are deemed to have a relevant interest in the LDHB's Polaris Shares.

The Co-operation Agreement will automatically terminate on the first of the following to occur:

- (a) the expiration of 6 months from the date of the Co-operation Agreement; or
- (b) the Share Offer does not proceed or fails because of a Defeating Condition that has neither been satisfied nor waived;
- (c) the Offer Period under the Share Offer expiring; or
- (d) if LDHB disposes of its LDHB's Polaris Shares pursuant to a superior proposal in accordance with the terms of the agreement.

Additional information (cont.)

7.6 OPTION CO-OPERATION AGREEMENT

LDHB holds 5,047,062 Polaris Options (LDHB's Polaris Options). Lion and LDHB have entered into an Option Co-operation Agreement under which LDHB has agreed not to accept the Option Offer in respect of the LDHB's Polaris Options.

The Option Co-operation Agreement will automatically terminate upon the termination of the Co-operation Agreement.

7.7 JOINT BID AGREEMENT

Under the Joint Bid Agreement, LAPE and VBL have agreed that:

- (a) they will procure Lion to make the Offers in accordance with the terms announced by Lion to the ASX on the Announcement Date and the Second Announcement Date; and
- (b) all decisions of Lion in relation to the Lion Offers are to be made by its shareholders and/or directors in accordance with the terms of the Joint Venture Agreement.

The Joint Bid Agreement will automatically terminate upon the termination of the Co-operation Agreement.

7.8 JOINT VENTURE AGREEMENT

LAPE, VBL and Lion have entered into a Joint Venture Agreement to regulate the conduct of the business and affairs of Lion.

Under the Joint Venture Agreement, LAPE, VBL and Lion have agreed, amongst other things, that:

- (a) the Lion Board shall comprise an equal number of representatives from each of LAPE and VBL;
- (b) if either of LAPE or VBL wishes to transfer its shares in Lion, it must first offer its shares to the other party; and
- (c) LAPE and VBL will each provide Lion with Shareholder Loans which are sufficient to pay the maximum consideration that will be payable under the Lion Offers. Details of the Shareholder Loans are set out in Section 5.2 of this Bidder's Statement.

7.9 SGX-ST WAIVER

LAPE holds 50% of shares in Lion. LAPE is a wholly-owned subsidiary of LAP.

LAP is listed on the SGX-ST. Under Rule 1014(2) of Chapter 10 of the Listing Manual of the SGX-ST, prior shareholder approval is required to be obtained by LAP for the Bid to be made by Lion. However, LAP has obtained a waiver from the requirement to obtain prior LAP shareholder approval for its participation in the Bid, subject to the following conditions:

- (a) if the Bid is successful, an extraordinary general meeting to be convened to seek LAP shareholder approval and ratification of the Bid (LAP Resolution);
- (b) in the event the LAP Resolution is not duly passed, LAP must exercise its right, through LAPE, under the Put Option Agreement to require VBL to purchase LAPE's 50% shareholding in Lion; and
- (c) the SGX waiver is announced pursuant to Rule 107 of the Listing Material. As at the date of this Bidder's Statement, this condition has been satisfied.

If the Bid is successful, the LAP Resolution will need to be approved by a simple majority of LAP shareholders (excluding the shareholders of LAP which are part of the Lion Group who together control approximately 69% of shares in LAP).

LAP will do all things necessary to convene the extraordinary general meeting, including despatching the notice of meeting to LAP shareholders, following the close of the Offers to satisfy the condition set out in paragraph (a) above.

Polaris Shareholders and Polaris Optionholders should note that the Offers are NOT conditional on the passing of the LAP Resolution.

7.10 PUT OPTION AGREEMENT

Under the Put Option Agreement VBL has irrevocably granted to LAPE an option (Put Option) to require VBL to purchase from LAPE all of LAPE's shares in Lion (Put Option Shares) in the event that the LAP Resolution is not passed within four months after the close of the Offers.

In the event the LAP Resolution is not passed, the Put Option will become exercisable by LAPE commencing four months after the close of the Offers and ending at the end of 6 months after the close of the Offers.

If the Put Option is exercised by LAPE, the consideration to be paid by VBL for the purchase of the Put Option Shares will be an amount equal to 50% of the total consideration paid by Lion under the Offers.

7.11 CONSIDERATION PROVIDED FOR POLARIS SECURITIES DURING PREVIOUS FOUR MONTHS

Lion and its associates have not acquired or disposed of Polaris securities during the period of four months ending on the day immediately before the date of the Offers.

7.12 INDUCING BENEFITS GIVEN DURING PREVIOUS FOUR MONTHS

Neither Lion nor any of its associates has, during the period of four months ending on the day immediately before the date of the Offers, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept the Offers; or
- (b) dispose of Polaris Shares or Polaris Options,

which benefit was not offered to all Polaris Shareholders and Polaris Optionholders under the Offers.

7.13 PERSONS TO WHOM OFFERS ARE SENT

For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent in items 6 and 12 of section 633(1) of the Corporations Act is the Register Date (being 7.00pm on 13 November).

7.14 BROKER COMMISSIONS

Lion may offer to pay a commission to brokers who solicit acceptances of the Share Offer from their clients, but it has made no final decision in relation to the matter at this stage.

Any commission payments will be paid only in respect of parcels of Polaris Shares held by retail shareholders who accept the Share Offer.

If a commission is offered, commission payments will not exceed 0.75% of the value of the consideration payable to a retail shareholder who accepts the Share Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each acceptance.

If a commission is offered, it will be payable only to brokers and will be subject to the condition that no part of the fee will be able to be passed on or paid to Polaris Shareholders.

It is Lion's intention that, if and when an offer of commission has been made to any broker by Lion, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

7.15 REGULATORY AND LEGAL MATTERS

Lion is not aware of any Polaris Shareholder or Optionholder who requires any approval or clearance, in accordance with the statutory requirements below, in order to be entitled to receive any consideration under the Offers.

(a) Banking (Foreign Exchange) Regulations 1959 (Cth)

The Banking (Foreign Exchange) Regulations 1959 (Cth) may impose restrictions on certain financial transactions and require the consent of the Reserve Bank of Australia for the movement of funds into and out of Australia. Based on Lion's searches, restrictions currently apply if funds are to be paid to, or received from:

- (i) specified individuals and entities associated with the former government of the Federal Republic of Yugoslavia;
- (ii) specified ministers and senior officials of the Government of Zimbabwe;
- (iii) certain specified entities associated with the Democratic People's Republic of Korea (North Korea);
- (iv) specified individuals associated with the Burmese regime; and
- (v) several entities and individuals who contribute to Iran's proliferation activities not already listed by the UN Security Council.

(b) Other Commonwealth legislation

The Charter of the United Nations Act 2002 (Cth) prohibits:

- (i) assets from being provided to proscribed persons or entities; and
- (ii) the use or dealing, and facilitation of such use or dealing, of certain assets owned or controlled by proscribed persons or entities,

in each case without the written consent of the Minister of Foreign Affairs.

Persons and entities from various countries have been proscribed under various Regulations made pursuant to the Charter of the United Nations Act 2002 (Cth) including in relation to Afghanistan, Côte d'Ivoire, Democratic Republic of the Congo, Iran, Iraq, Liberia, Sudan, Sierra Leone, Somalia, Democratic People's Republic of Korea, Lebanon and Rwanda.

Additional information (cont.)

7.16 NO ESCALATION AGREEMENTS

Neither Lion nor any associate of Lion has entered into any escalation agreement in respect of Polaris Shares that is prohibited by section 622 of the Corporations Act.

7.17 CONSENTS

This Bidder's Statement contains statements made by, or statements based on, statements made by Lion, Gilbert + Tobin, Link Market Services Limited, Wilson HTM Corporate Finance Limited, LAP, LDHB, Tan Sri William Cheng, VBL, LAPE and Classima Capital. Each of Lion, Gilbert + Tobin, Link Market Services Limited, Wilson HTM Corporate Finance Limited, WongPartnership LLP, LAP, LDHB, Tan Sri William Cheng, VBL and LAPE and Classima Capital has given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of:

- (a) references to its name;
- (b) where applicable, each statement it has made; and
- (c) where applicable, each statement which is based on a statement it has made,

in this Bidder's Statement in the form and context in which those statements appear and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than any statement which has been included in this Bidder's Statement with the consent of that party.

Each person who is named in this Bidder's Statement as acting in a professional capacity for Lion in relation to the Offers (including, without limitation, Gilbert + Tobin, WongPartnership LLP and Wilson HTM Corporate Finance Limited):

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based, other than a statement included in this Bidder's Statement with the consent of that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than any statement which has been included in this Bidder's Statement with the consent of that party.

7.18 NO OTHER MATERIAL INFORMATION

There is no other information that:

- is material to the making of the decision by a holder of Polaris Shares or Polaris Options whether or not to accept the Offers; and
- which is known to Lion,

other than:

- as set out or referred to elsewhere in this Bidder's Statement; or
- information which it would be unreasonable to require Lion to disclose because the information has previously been disclosed to holders of Polaris Shares or Polaris Options.

The Share Offer

8.1 SHARE OFFER

- (a) Lion offers to acquire from you on the terms and conditions of this Share Offer all of Your Polaris Shares together with all Rights attaching to them.
- (b) This Share Offer extends to all Polaris Shares in respect of which you are registered as the holder as at the Register Date.
- (c) Offers on terms and conditions identical to those contained in this Share Offer have been dispatched or will be dispatched to all holders of Polaris Shares registered as such in the Share Register on the Register Date.
- (d) This Share Offer is dated 27 November 2009.

8.2 CONSIDERATION FOR THE SHARE OFFER

Subject to the terms of this Share Offer, the consideration offered by Lion for the acquisition of all Your Polaris Shares is \$0.70 for each Polaris Share (Share Offer Consideration).

8.3 OFFER PERIOD

- (a) Unless the Offer Period is extended or the Offer is withdrawn, in either case in accordance with the requirements of the Corporations Act, this Share Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 7.00pm AEDT on 29 December 2009 (Offer Period).
- (b) Subject to the Corporations Act, Lion may extend the Offer Period.
- (c) In addition, if, within the last 7 days of the Offer Period:
 - (i) this Share Offer is varied to improve the consideration offered; or
 - (ii) Lion's voting power in Polaris increases to more than 50.1%,

then the Offer Period will be mandatorily extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after the relevant event.

8.4 ACCEPTANCE

- (a) You may accept this Share Offer only in respect of all of Your Polaris Shares.
- (b) Subject to Section 8.5, to accept this Share Offer in respect of Polaris Shares which, at the time of acceptance, are registered in your name in the issuer sponsored sub-register operated by Polaris (in which case Your Polaris Shares are not in a CHESS Holding and your Securityholder Reference Number will commence with "I"), you must complete and sign the Issuer Acceptance Form enclosed with this Share Offer (which forms part of this Share Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:

BY MAIL: Link Market Services Limited
Lion-Asia Resources Pte. Ltd Takeover
Locked Bag A14
Sydney South NSW 1235

BY FAX: +61 2 9287 0309; or

BY HAND: Link Market Services Limited
Lion-Asia Resources Pte. Ltd Takeover
Level 12, 680 George Street
Sydney NSW 2000

Between 9.00am and 5.00pm

so that it is received at an address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

If your Acceptance Form (including any documents required by the terms of this Share Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration under this Share Offer to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Share Offer and the instructions on the Acceptance Form) is received at an address specified above.

The Share Offer (cont.)

- (c) To accept this Share Offer in respect of Polaris Shares which, at the time of acceptance, are held by you in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you must comply with the ASTC Settlement Rules. To accept this Share Offer in accordance with the ASTC Settlement Rules:
- (i) if you are the Controlling Participant, you must initiate acceptance of this Share Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
 - (ii) if you are not the Controlling Participant, you may either:
 - (A) instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Share Offer in accordance with Rule 14.14 of the ASTC Settlement Rules, such initiation to occur before the end of the Offer Period. If you choose to accept this Share Offer in this way, your Controlling Participant will be obliged by Rule 14.14.1 of the ASTC Settlement Rules to initiate the acceptance within the following timeframes:
 - I if you specify a time when or by which this Share Offer must be accepted, in accordance with those instructions; or
 - II otherwise, by End of Day (as defined in the ASTC Settlement Rules) on the date that you instruct the Controlling Participant to accept this Share Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
 - (B) otherwise, complete and sign the enclosed CHESS Acceptance Form in accordance with the instructions on the CHESS Acceptance Form and return it (using the enclosed reply paid envelope, which is valid if sent from within Australia) together with all other documents required by those instructions to one of the addresses indicated on the CHESS Acceptance Form and as such authorise Lion to instruct your Controlling Participant to initiate acceptance of this Share Offer on your behalf in accordance with Rule 14.14 of the ASTC Settlement Rules. For return of the CHESS Acceptance Form to be an effective acceptance of the Share Offer under this Section 8.4(c)(ii)(B), it must be received by Lion in time for Lion to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.
- (d) An acceptance of this Share Offer under Section 8.4(b) or (c)(ii)(B) shall not be complete until the Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at one of the addresses set out in Section 8.4(b). Notwithstanding the foregoing provisions of this Section 8.4, Lion may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Acceptance Form but payment of the consideration in accordance with this Share Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the Polaris Shares have been lodged with Lion.
- (e) The transmission of the Acceptance Form and other documents is at your own risk.

8.5 FOREIGN LAWS

This Share Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Share Offer.

8.6 ENTITLEMENT TO SHARE OFFER

- (a) Subject to Section 8.6(b), a person who:
- (i) is able during the Offer Period to give good title to a parcel of Polaris Shares; and
 - (ii) has not already accepted the Share Offer for those Polaris Shares;
- may, in accordance with section 653B(1) of the Corporations Act, accept the Share Offer as if an offer on terms identical with the Share Offer had been made to that person in relation to those Polaris Shares.
- (b) If at any time during the Offer Period and before the Share Offer is accepted, you hold Polaris Shares on trust for, as nominee for, or on account of, another person or persons, then a separate and distinct Share Offer shall be deemed, in accordance with section 653B(1)(b) of the Corporations Act, to have been made to you in relation to each parcel of Polaris Shares within Your Polaris Shares. An acceptance by you of the Share Offer in respect of any such distinct portion of Your Polaris Shares will be ineffective unless you have given Lion notice stating that Your Polaris Shares consist of separate and distinct parcels and your acceptance specifies the number of Polaris Shares in the distinct portions to which the acceptance relates. If Your Polaris Shares are in a CHESS Holding, the notice may be transmitted in an electronic form approved by the ASTC Settlement Rules. Otherwise, the notice must be given to Lion in writing.
- (c) Beneficial owners whose Polaris Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Share Offer accepted in respect of the Polaris Shares which they beneficially own.

8.7 EFFECT OF ACCEPTANCE

(a) By:

- (i) completing, signing and returning an Acceptance Form in accordance with Section 8.4(b) or (c)(ii)(B); or
- (ii) causing this Share Offer to be accepted in accordance with the ASTC Settlement Rules if Your Polaris Shares are in a CHESS Holding,

you will, or will be deemed to, have:

- (i) subject to section 650E of the Corporations Act and Section 8.6, irrevocably accepted this Share Offer in respect of all Your Polaris Shares;
- (ii) subject to this Share Offer being declared free from the Defeating Conditions or such conditions being fulfilled, agreed to transfer Your Polaris Shares to Lion;
- (iii) represented and warranted to Lion as a fundamental condition going to the root of the contract resulting from your acceptance of this Share Offer that, both at the time of acceptance of this Share Offer and at the time the transfer of Your Polaris Shares to Lion is registered, all of Your Polaris Shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer such Polaris Shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of those Polaris Shares;
- (iv) authorised Lion (by any of its directors, officers, servants or agents), if necessary, to complete on the Acceptance Form correct details of Your Polaris Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Share Offer;
- (v) irrevocably appointed Lion and each of its directors, secretaries and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that any contract resulting from the acceptance of this Share Offer is declared free from all its Defeating Conditions or those conditions are fulfilled, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of Your Polaris Shares or in exercise of any right derived from the holding of Your Polaris Shares, including, without limiting the generality of the foregoing, requesting Polaris to register Your Polaris Shares in the name of Lion, attending and voting at any meeting of Polaris Shareholders, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of Polaris Shareholders, requisitioning any meeting of Polaris Shareholders, signing any forms, notices or instruments relating to Your Polaris Shares and doing all things incidental or ancillary to any of the foregoing. You will, or will be deemed to, have acknowledged and agreed that in exercising such powers the attorney may act in the interests of Lion as the intended registered holder of those Polaris Shares. This appointment, being given for valuable consideration to secure the interest acquired in Your Polaris Shares, is irrevocable and terminates upon registration of a transfer to Lion of Your Polaris Shares;
- (vi) agreed, with effect from the date that any contract resulting from the acceptance of this Share Offer is declared free from all its Defeating Conditions or those conditions are fulfilled, and in the absence of a prior waiver of this requirement by Lion, not to attend or vote in person at any meeting of Polaris Shareholders or to exercise or purport to exercise any of the powers conferred on Lion or its nominee in Section 8.7(a)(v);
- (vii) irrevocably authorised and directed Polaris to pay to Lion or to account to Lion for all Rights, subject, however, to any such Rights received by Lion being accounted for by Lion to you in the event that this Share Offer is withdrawn or avoided;
- (viii) except where Rights have been paid or accounted for under Section 8.8, irrevocably authorised Lion to deduct from the consideration payable in respect of Your Polaris Shares, the value of any Rights paid to you which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Chairman of ASX or his or her nominee;
- (ix) if, at the time of acceptance of this Share Offer, Your Polaris Shares are in a CHESS Holding, with effect from the date that either this Share Offer or any contract resulting from the acceptance of this Share Offer is declared free from all its Defeating Conditions or those conditions are fulfilled, irrevocably authorised Lion to cause a message to be transmitted in accordance with ASTC Settlement Rule 14.17.1 (and at a time permitted by ASTC Settlement Rule 14.17.1(b)) so as to transfer Your Polaris Shares to Lion's Takeover Transferee Holding. Lion shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Share Offer;
- (x) agreed to indemnify Lion in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of Your Polaris Shares being registered by Polaris without production of your Holder Identification Number for Your Polaris Shares;

The Share Offer (cont.)

- (xi) represented and warranted to Lion that, unless you have notified it in accordance with Section 8.6(b), Your Polaris Shares do not consist of several parcels of Polaris Shares; and
 - (xii) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey Your Polaris Shares and any Rights to Lion.
- (b) If Your Polaris Shares are in a CHESS Holding and you complete, sign and return the Acceptance Form in accordance with Section 8.4(c)(ii)(B) (which you are not bound, but are requested, to do), you will be deemed to have irrevocably authorised Lion and any of its directors, secretaries or officers to:
- (i) instruct your Controlling Participant to initiate acceptance of this Share Offer in respect of Your Polaris Shares which are in a CHESS Holding, in accordance with Rule 14.14 of the ASTC Settlement Rules if you have not already done so; and
 - (ii) give any other instructions in relation to Your Polaris Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

8.8 DIVIDENDS AND OTHER ENTITLEMENTS

- (a) Lion will be entitled to all Rights declared, paid, made, or which arise or accrue at or after the Announcement Date in respect of Polaris Shares that it acquires pursuant to this Share Offer.
- (b) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date to the holders of Polaris Shares, Lion will (provided the same has not been paid to Lion) be entitled to reduce the consideration specified in Section 8.2 and payable by it to accepting holders of Polaris Shares by an amount equal to the value of such Rights.
- (c) If any non-cash Rights are issued or made or arise or accrue after the Announcement Date to the holders of Polaris Shares, Lion will (provided the same has not been issued to Lion) be entitled to reduce the consideration specified in Section 8.2 and payable by it to accepting holders of Polaris Shares by an amount equal to the value (as reasonably assessed by the Chairman of ASX or his or her nominee) of such non-cash Rights.

8.9 DEFEATING CONDITIONS

- (a) Subject to paragraph (b), this Share Offer and the contract resulting from the acceptance of this Share Offer (and each other Share Offer and each contract resulting from the acceptance thereof) are subject to the following conditions being fulfilled or waived by Lion:
 - (i) **Minimum acceptance condition**
 - (A) By the end of the Offer Period, Lion has received valid acceptances for not less than 50.1% of the Polaris Shares that Lion offers to acquire under the Share Offer, excluding:
 - (I) any such Polaris Shares in which Lion, LDHB, Tan Sri William Cheng, VBL, LAPE, LAP and their respective associates have a relevant interest in at the beginning of the Offer Period; and
 - (II) any such Polaris Shares the subject of the Pre-Bid Acceptance Agreement between Heron and Mineral Resources dated 20 August 2009.
 - (B) Lion will not waive the condition in Section 8.9(a)(i)(A) without ASIC's prior consent.
 - (ii) **Material Adverse Change**
Before the end of the Offer Period, no Material Adverse Change occurs, is discovered, announced, disclosed or otherwise becomes known to Lion (whether or not becoming public).
 - (iii) **No prescribed occurrences**
Before the end of the Offer Period, no Prescribed Occurrence occurs.
 - (iv) **Conduct of Polaris' business**
Before the end of the Offer Period, none of Polaris, or any Subsidiary of Polaris, without the written consent of Lion:
 - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee, except:
 - as required by law or provided under any superannuation, provident or retirement scheme as in effect on the date of this deed; or
 - any action undertaken in accordance with contractual obligations that exist at the date of this deed; or
 - (B) has threatened or commenced against it any material claims or proceedings in any court or tribunal.

- (v) **Regulatory Approvals**
Before the end of the Offer Period, Lion obtains any Regulatory Approval required for the Share Offer.
- (vi) **No regulatory action**
Between the Announcement Date and the end of the Offer Period:
 (A) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
 (B) no action or investigation is announced, commenced or threatened by any Public Authority; and
 (C) no application is made to any Public Authority (other than by Lion),
 in consequence of, or in connection with, the Share Offer (other than an application to or a decision or order of ASIC or the Takeovers Panel for the purpose of or in the exercise of the powers and discretions conferred on it by the Corporations Act), which restrains, prohibits or impedes or threatens to restrain, prohibit or impede or may otherwise materially adversely impact upon, the making of the Share Offer or which requires or purports to require the variation of the terms of the Share Offer or the completion of any transaction contemplated by this Bidder's Statement (including implementing the intentions expressed in this Bidder's Statement) or seeks to require the divestiture of any Polaris Shares or the divestiture of any assets held by Polaris or Lion or their respective Subsidiaries.
- (b) The Defeating Conditions are conditions subsequent. Further, each of the Defeating Conditions is a separate and distinct condition and shall not be taken to limit the meaning or effect of any other Defeating Condition. The breach or non-fulfilment of any condition subsequent does not prevent a contract to sell Your Polaris Shares resulting from your acceptance of this Share Offer coming into effect, but entitles Lion by written notice to you, to rescind the contract resulting from your acceptance of this Share Offer.
- (c) Subject to the provisions of the Corporations Act, Lion alone has the benefit of the Defeating Conditions and any breach or non-fulfilment of any such Defeating Conditions may be relied on only by Lion.
- (d) The date specified for the giving of the notice referred to in section 630(3) of the Corporations Act as to the status of the Defeating Conditions is 22 December 2009, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended in accordance with the Corporations Act.
- (e) Subject to the Corporations Act and the Defeating Condition in Section 8.9(a)(i) (which may only be waived with ASIC's prior consent), Lion may free the Share Offer and any contract resulting from acceptance of the Share Offer from all or any of the Defeating Conditions generally or in relation to a specific occurrence by giving notice in writing to Polaris and to ASX in accordance with section 650F of the Corporations Act. Any such notice may be given not later than three Business Days after the end of the Offer Period.
- (f) If at the end of the Offer Period in respect of the Defeating Conditions:
 - (i) Lion has not declared this Share Offer and all other Offers made by Lion under the Bid and all contracts resulting from the acceptance of Offers to be free from the conditions; and
 - (ii) the conditions have not been fulfilled,
 then all contracts resulting from the acceptance of Share Offers and all Share Offers that have been accepted and from whose acceptance binding contracts have not yet resulted are void. In that event, Lion will, if you have accepted this Share Offer:
 - (i) return at your risk your Acceptance Form together with all documents forwarded by you with that form to your address as shown in the Acceptance Form; or
 - (ii) if Your Polaris Shares are in a CHESS Holding, notify ASTC under the ASTC Settlement Rules that the contract resulting from your acceptance of the Share Offer is avoided.

8.10 OBLIGATIONS OF LION

- (a) Subject to this Section 8.10 and the Corporations Act, Lion will provide the consideration for Your Polaris Shares by the end of whichever of the following periods ends earlier:
 - (i) one month after the Share Offer is accepted or, if the Share Offer is subject to a Defeating Condition when accepted, within one month after the Share Offer becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period.

Under no circumstances will interest be paid on the consideration for Your Polaris Shares under this Share Offer, regardless of any delay in making payment or any extension of this Share Offer.

The Share Offer (cont.)

- (b) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, Lion will provide the consideration in accordance with paragraph (a);
 - (ii) if that document is given after your acceptance and before the end of the Offer Period while the Share Offer is subject to a Defeating Condition, Lion will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after the Share Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if the document is given after your acceptance and before the end of the Offer Period while the Share Offer is not subject to a Defeating Condition, Lion will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after the document is received; or
 - (B) 21 days after the end of the Offer Period; or
 - (iv) if that document is received after the end of the Offer Period, Lion will provide the consideration within 21 days after that document is received. However, if, at the time that document is received, this Share Offer is still subject to a Defeating Condition that relates to a circumstance or event specified in Section 8.9(a), Lion will provide the consideration within 21 days after the Share Offer becomes, or is declared, unconditional.
- (c) If, at the time of acceptance of this Share Offer, or provision of any consideration under it, any authority or clearance of the Reserve Bank of Australia or of the ATO is required for you to receive any consideration under this Share Offer or you are a resident in or a resident of a place to which, or you are a person to whom:
- (i) the Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) the Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) the Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) the Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth);
 - (v) the Charter of the United Nations (Dealing with Assets) Regulations 2008; or
 - (vi) any law of Australia that would make it unlawful for Lion to provide the consideration payable under the Offers,
- applies, then acceptance of this Share Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Share Offer unless and until all requisite authorities or clearances have been obtained by Lion. Please refer to Section 7.15 for information as to whether this restriction applies to you.

8.11 WITHDRAWAL

- (a) Lion may withdraw this Share Offer at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX and Polaris and will comply with any other conditions imposed by ASIC.
- (b) If Lion withdraws this Share Offer, any contract resulting from its acceptance will automatically be void.

8.12 VARIATION

Lion may at any time, and from time to time, vary this Share Offer in accordance with the Corporations Act.

8.13 COSTS AND EXPENSES

All costs and expenses of the preparation of this Bidder's Statement and of the preparation and circulation of this Share Offer will be paid by Lion.

8.14 NOTICES

- (a) Any notices to be given by Lion to Polaris under the Bid may be given to Polaris by leaving them at, or sending them by pre-paid ordinary post to, the registered office of Polaris or by sending them by facsimile transmission to Polaris at its registered office.
- (b) Any notices to be given to Lion by you or by Polaris under the Bid may be given to Lion by leaving them at or sending them by pre-paid ordinary post to Lion at one of the addresses referred to in Section 8.4(b).
- (c) Any notices to be given by Lion to you under the Bid may be given to you by leaving them at or sending them by pre-paid ordinary post or if your address is outside Australia, by airmail, to your address as shown in the Register.

8.15 GOVERNING LAW

This Share Offer and any contract that results from your acceptance of this Share Offer are governed by the laws in force in New South Wales.

The Option Offer

9.1 OPTION OFFER

- (a) Lion offers to acquire from you on the terms and conditions of this Option Offer all of Your Polaris Options together with all Rights attaching to them.
- (b) This Option Offer extends to all Polaris Options in respect of which you are registered as the holder as at the Register Date.
- (c) Offers on terms and conditions identical to those contained in this Option Offer have been dispatched or will be dispatched to all holders of Polaris Options registered as such in the Option Register on the Register Date.
- (d) This Option Offer is dated 27 November 2009.

9.2 CONSIDERATION FOR THE OPTION OFFER

Subject to the terms of this Option Offer, the consideration offered by Lion for the acquisition of all Your Polaris Options is as set out in the table below.

Polaris Tranche	Key terms	Total number on issue	Consideration to be issued for each Polaris Option	Total consideration to be funded
2	Exercisable at \$0.281 expiring 31 December 2010	150,000	\$0.419	\$62,850.00
3	Exercisable at \$0.281 expiring 14 July 2011	14,100,000	\$0.419	\$5,907,900.00
4	Exercisable at \$0.40 expiring 31 December 2011	750,000	\$0.300	\$225,000.00
5	Exercisable at \$0.531 expiring 31 December 2011	5,825,000	\$0.169	\$984,425.00
6	Exercisable at \$0.531 expiring 31 December 2011	500,000	\$0.169	\$84,500.00
7	Exercisable at \$0.55 expiring 31 December 2011	1,250,000	\$0.150	\$187,500.00
8	Exercisable at \$0.55 expiring 31 December 2011	275,000	\$0.150	\$41,250.00
9	Exercisable at \$0.631 expiring 31 December 2011	50,000	\$0.069	\$3,450.00
TOTAL		22,900,000		\$7,496,875.00

9.3 OFFER PERIOD

- (a) Unless the Offer Period is extended or the Option Offer is withdrawn, in either case in accordance with the requirements of the Corporations Act, this Option Offer will remain open for acceptance by you during the period commencing on the date of this Option Offer and ending at 7.00pm AEDT on 29 December 2009 (Offer Period).
- (b) Subject to the Corporations Act, Lion may extend the Offer Period.
- (c) In addition, if, within the last 7 days of the Offer Period:
 - (i) this Option Offer is varied to improve the consideration offered; or
 - (ii) Lion's voting power in Polaris increases to more than 50.1%,
 then the Offer Period will be mandatorily extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after the relevant event.

The Option Offer (cont.)

9.4 ACCEPTANCE

- (a) You may accept this Option Offer only in respect of all of Your Polaris Options.
- (b) Subject to Section 9.5, to accept this Option Offer in respect of Polaris Options which, at the time of acceptance, are registered in your name, you must complete and sign the Option Acceptance Form enclosed with this Option Offer (which forms part of this Option Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:

BY MAIL: Link Market Services Limited
Lion-Asia Resources Pre. Ltd Takeover
Locked Bag A14
Sydney South NSW 1235

BY FAX: +61 2 9287 0309; or

BY HAND: Link Market Services Limited
Lion-Asia Resources Pre. Ltd Takeover
Level 12, 680 George Street
Sydney NSW 2000

Between 9.00am and 5.00pm

so that it is received at an address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

If your Option Acceptance Form (including any documents required by the terms of this Option Offer and the instructions on the Option Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration under this Option Offer to which you are entitled until your original Option Acceptance Form (including any documents required by the terms of this Option Offer and the instructions on the Option Acceptance Form) is received at an address specified above.

- (c) An acceptance of this Option Offer under Section 9.4(b) shall not be complete until the Option Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at one of the addresses set out in Section 9.4(b). Notwithstanding the foregoing provisions of this Section 9.4, Lion may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Option Acceptance Form but payment of the consideration in accordance with this Option Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the Polaris Options have been lodged with Lion.
- (d) The transmission of the Option Acceptance Form and other documents is at your own risk.
- (e) By following the procedures described in this Section 9.4 you will be deemed to have agreed to the terms of the Option Offer and, subject to the conditions contained in Section 9.9 of this Bidder's Statement being fulfilled or waived, agreed to transfer to Lion all of Your Polaris Options, including agreeing to vary the terms of Your Polaris Options to allow for this transfer.

9.5 FOREIGN LAWS

This Option Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Option Offer.

9.6 ENTITLEMENT TO OPTION OFFER

- (a) Subject to Section 9.6(b), a person who:

- (i) is able during the Offer Period to give good title to a parcel of Polaris Options; and
- (ii) has not already accepted the Option Offer for those Polaris Options;

may, in accordance with section 653B(1) of the Corporations Act, accept the Option Offer as if an offer on terms identical with the Option Offer had been made to that person in relation to those Polaris Options.

- (b) If at any time during the Offer Period and before the Option Offer is accepted, you hold Polaris Options on trust for, as nominee for, or on account of, another person or persons, then a separate and distinct Option Offer shall be deemed, in accordance with section 653B(1)(b) of the Corporations Act, to have been made to you in relation to each parcel of Polaris Options within Your Polaris Options. An acceptance by you of the Option Offer in respect of any such distinct portion of Your Polaris Options will be ineffective unless you have given Lion notice stating that Your Polaris Options consist of separate and distinct parcels and your acceptance specifies the number of Polaris Options in the distinct portions to which the acceptance relates. The notice must be given to Lion in writing.

- (c) Beneficial owners whose Polaris Options are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Option Offer accepted in respect of the Polaris Options which they beneficially own.

9.7 EFFECT OF ACCEPTANCE

- (a) By completing, signing and returning an Option Acceptance Form in accordance with Section 9.4(b) you will, or will be deemed to, have:
- (i) subject to section 650E of the Corporations Act and Section 9.5, irrevocably accepted this Option Offer in respect of all Your Polaris Options;
 - (ii) subject to this Option Offer being declared free from the Defeating Conditions or such conditions being fulfilled, agreed to transfer Your Polaris Options to Lion;
 - (iii) represented and warranted to Lion as a fundamental condition going to the root of the contract resulting from your acceptance of this Option Offer that, both at the time of acceptance of this Option Offer and at the time the transfer of Your Polaris Options to Lion is registered, all of Your Polaris Options are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer such Polaris Options and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of those Polaris Options;
 - (iv) authorised Lion (by any of its directors, officers, servants or agents), if necessary, to complete on the Option Acceptance Form correct details of Your Polaris Options, fill in any blanks remaining on the Option Acceptance Form and rectify any error in or omission from the Option Acceptance Form as may be necessary to make the Option Acceptance Form an effective acceptance of this Option Offer;
 - (v) irrevocably appointed Lion and each of its directors, secretaries and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that any contract resulting from the acceptance of this Option Offer is declared free from all its Defeating Conditions or those conditions are fulfilled, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of Your Polaris Options or in exercise of any right derived from the holding of Your Polaris Options, including, without limiting the generality of the foregoing, requesting Polaris to register Your Polaris Options in the name of Lion, attending and voting at any meeting of Polaris Optionholders, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of Polaris Optionholders, requisitioning any meeting of Polaris Optionholders, signing any forms, notices or instruments relating to Your Polaris Options and doing all things incidental or ancillary to any of the foregoing. You will, or will be deemed to, have acknowledged and agreed that in exercising such powers the attorney may act in the interests of Lion as the intended registered holder of those Polaris Options. This appointment, being given for valuable consideration to secure the interest acquired in Your Polaris Options, is irrevocable and terminates upon registration of a transfer to Lion of Your Polaris Options;
 - (vi) agreed, with effect from the date that any contract resulting from the acceptance of this Option Offer is declared free from all its Defeating Conditions or those conditions are fulfilled, and in the absence of a prior waiver of this requirement by Lion, not to attend or vote in person at any meeting of Polaris Optionholders or to exercise or purport to exercise any of the powers conferred on Lion or its nominee in Section 9.7(a)(v);
 - (vii) irrevocably authorised and directed Polaris to pay to Lion or to account to Lion for all Rights, subject, however, to any such Rights received by Lion being accounted for by Lion to you in the event that this Option Offer is withdrawn or avoided;
 - (viii) except where Rights have been paid or accounted for under Section 9.8, irrevocably authorised Lion to deduct from the consideration payable in respect of Your Polaris Options, the value of any Rights paid to you which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Chairman of ASX or his or her nominee;
 - (ix) agreed to indemnify Lion in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of Your Polaris Options being registered by Polaris without production of your Holder Identification Number for Your Polaris Options;
 - (x) represented and warranted to Lion that, unless you have notified it in accordance with Section 9.6(b), Your Polaris Options do not consist of several parcels of Polaris Options; and
 - (xi) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey Your Polaris Options and any Rights to Lion.

The Option Offer (cont.)

9.8 DIVIDENDS AND OTHER ENTITLEMENTS

- (a) Lion will be entitled to all Rights declared, paid, made, or which arise or accrue at or after the Second Announcement Date in respect of Polaris Options that it acquires pursuant to this Option Offer.
- (b) If any Rights are declared, paid, made or arise or accrue in cash after the Second Announcement Date to the holders of Polaris Options, Lion will (provided the same has not been paid to Lion) be entitled to reduce the consideration specified in Section 9.2 and payable by it to accepting holders of Polaris Options by an amount equal to the value of such Rights.
- (c) If any non-cash Rights are issued or made or arise or accrue after the Second Announcement Date to the holders of Polaris Options, Lion will (provided the same has not been issued to Lion) be entitled to reduce the consideration specified in Section 9.2 and payable by it to accepting holders of Polaris Options by an amount equal to the value (as reasonably assessed by the Chairman of ASX or his or her nominee) of such non-cash Rights.

9.9 DEFEATING CONDITIONS

- (a) Subject to paragraph (b), this Option Offer and the contract resulting from the acceptance of this Option Offer (and each other Option Offer and each contract resulting from the acceptance thereof) are subject to the following conditions being fulfilled or waived by Lion.
 - (i) **Share Offer unconditional**
By the end of the Offer Period, the Share Offer is, or has been declared, unconditional in all respects. Lion will not waive this condition without ASIC's prior consent.
 - (ii) **Amendment to Option terms**
By the end of the Offer Period, the Polaris Directors have made any amendments to the terms of the Option Offer which are necessary to permit their transfer to Lion, subject to the other Defeating Conditions of the Option Offer being satisfied or waived by Lion.
 - (iii) **Regulatory Approvals**
By the end of the Offer Period, Lion obtains any Regulatory Approvals required for the Option Offer.
- (b) The Defeating Conditions are conditions subsequent. Further, each of the Defeating Conditions is a separate and distinct condition and shall not be taken to limit the meaning or effect of any other Defeating Condition. The breach or non-fulfilment of any condition subsequent does not prevent a contract to sell Your Polaris Option resulting from your acceptance of this Option Offer coming into effect, but entitles Lion by written notice to you, to rescind the contract resulting from your acceptance of this Option Offer.
- (c) Subject to the provisions of the Corporations Act, Lion alone has the benefit of the Defeating Conditions and any breach or non-fulfilment of any such Defeating Conditions may be relied on only by Lion.
- (d) The date specified for the giving of the notice referred to in section 630(3) of the Corporations Act as to the status of the Defeating Conditions is 22 December 2009, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended in accordance with the Corporations Act.
- (e) Subject to the Corporations Act and the Defeating Condition in Section 9.9(a)(i) (which may only be waived with ASIC's prior consent), Lion may free the Option Offer and any contract resulting from acceptance of the Option Offer from all or any of the Defeating Conditions generally or in relation to a specific occurrence by giving notice in writing to Polaris and to ASX in accordance with section 650F of the Corporations Act. Any such notice may be given not later than three Business Days after the end of the Offer Period.
- (f) If at the end of the Offer Period in respect of the Defeating Conditions:
 - (i) Lion has not declared this Option Offer and all other Offers made by Lion under the Bid and all contracts resulting from the acceptance of Offers to be free from the conditions; and
 - (ii) the conditions have not been fulfilled,

then all contracts resulting from the acceptance of Option Offers and all Option Offers that have been accepted and from whose acceptance binding contracts have not yet resulted are void. In that event, Lion will, if you have accepted this Option Offer return at your risk your Option Acceptance Form together with all documents forwarded by you with that form to your address as shown in the Option Acceptance Form.

9.10 OBLIGATIONS OF LION

- (a) Subject to this Section 9.10 and the Corporations Act, Lion will provide the consideration for Your Polaris Options by the end of whichever of the following periods ends earlier:
- (i) one month after the Option Offer is accepted or, if the Option Offer is subject to a Defeating Condition when accepted, within one month after the Option Offer becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period.
- Under no circumstances will interest be paid on the consideration for Your Polaris Options under this Option Offer, regardless of any delay in making payment or any extension of this Option Offer.
- (b) Where the Option Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, Lion will provide the consideration in accordance with paragraph (a);
 - (ii) if that document is given after your acceptance and before the end of the Offer Period while the Option Offer is subject to a Defeating Condition, Lion will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after the Option Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if the document is given after your acceptance and before the end of the Offer Period while the Option Offer is not subject to a Defeating Condition, Lion will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after the document is received; or
 - (B) 21 days after the end of the Offer Period; or
 - (iv) if that document is received after the end of the Offer Period, Lion will provide the consideration within 21 days after that document is received. However, if, at the time that document is received, this Option Offer is still subject to a Defeating Condition that relates to a circumstance or event specified in Section 9.9(a), Lion will provide the consideration within 21 days after the Option Offer becomes, or is declared, unconditional.
- (c) If, at the time of acceptance of this Option Offer, or provision of any consideration under it, any authority or clearance of the Reserve Bank of Australia or of the ATO is required for you to receive any consideration under this Option Offer or you are a resident in or a resident of a place to which, or you are a person to whom:
- (i) the Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) the Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) the Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) the Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth);
 - (v) the Charter of the United Nations (Dealing with Assets) Regulations 2008; or
 - (vi) any law of Australia that would make it unlawful for Lion to provide the consideration payable under the Offers,

applies, then acceptance of this Option Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Option Offer unless and until all requisite authorities or clearances have been obtained by Lion. Please refer to Section 7.15 for information as to whether this restriction applies to you.

9.11 WITHDRAWAL

- (a) Lion may withdraw this Option Offer at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX and Polaris and will comply with any other conditions imposed by ASIC.
- (b) If Lion withdraws this Option Offer, any contract resulting from its acceptance will automatically be void.

The Option Offer (cont.)

9.12 VARIATION

Lion may at any time, and from time to time, vary this Option Offer in accordance with the Corporations Act.

9.13 COSTS, TAXES AND GST

All costs and expenses of the preparation of this Bidder's Statement and of the preparation and circulation of this Option Offer will be paid by Lion.

9.14 NOTICES

- (a) Any notices to be given by Lion to Polaris under the Bid may be given to Polaris by leaving them at, or sending them by pre-paid ordinary post to, the registered office of Polaris or by sending them by facsimile transmission to Polaris at its registered office.
- (b) Any notices to be given to Lion by you or by Polaris under the Bid may be given to Lion by leaving them at or sending them by pre-paid ordinary post to Lion at one of the addresses referred to in Section 9.4(b).
- (c) Any notices to be given by Lion to you under the Bid may be given to you by leaving them at or sending them by pre-paid ordinary post or if your address is outside Australia, by airmail, to your address as shown in the Option Register.

9.15 GOVERNING LAW

This Option Offer and any contract that results from your acceptance of this Option Offer are governed by the laws in force in New South Wales.

Glossary and Interpretation

10.1 GLOSSARY

The following terms have the meanings set out below unless the context requires otherwise:

Acceptance Form	means the form of acceptance of the Share Offer enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Lion (and includes, to avoid doubt, both the Issuer Acceptance Form and the CHESS Acceptance form).
AEDT	means Australian Eastern Daylight Savings Time.
Announcement Date	means 5 October 2009.
Amended Facility Agreement	has the meaning given to that expression in Section 5.2.
Antara	means Antara Steel Mills Sdn. Bhd.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given to that term in section 12 of the Corporations Act.
ASTC	means ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532.
ASTC Settlement Rules	means the operating rules of the settlement facility provided by ASTC.
ASX	means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange it operates.
ATO	means the Australian Taxation Office.
Bid	means the Offers to acquire all of the Polaris Shares and Polaris Options, on the terms set out in this Bidder's Statement.
Bid Period	means the period between the date on which this Bidder's Statement was provided to Polaris and the end of the Offer Period (both inclusive).
Bidder's Statement	means this document, being the bidder's statement of Lion under Part 6.5 of the Corporations Act relating to the Offers.
BMSB	means Bursa Malaysia Securities Berhad.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CHESS	means the Clearing House Electronic Subregister System operated by ASTC, which provides for the electronic transfer, settlement and registration of securities in Australia.
CHESS Holding	means a holding of Polaris Shares on the CHESS subregister of Polaris.
Class Order	means ASIC Class Order 01/1543.
Controlling Participant	has the meaning given in the ASTC Settlement Rules.
Corporations Act	means the Corporations Act 2001 (Cth) and any regulations made under that Act.
Co-operation Agreement	means the co-operation agreement between Lion and LDHB dated 5 October 2009.
Deed of Undertaking	means a deed of undertaking executed by Tan Sri William Cheng dated 5 October 2009.
Defeating Condition	means each condition of the Offers set out in Section 8.9(a) and Section 9.9(a), as the context requires.

Glossary and Interpretation (cont.)

Excluded Options	means all options to subscribe for Polaris Shares that have been granted by Polaris which have an exercise price greater than the Share Offer Consideration.
Heron	means Heron Resources Limited (ABN 30 068 263 098).
Holder Identification Number or HIN	means the number used to identify an Polaris Shareholder on the CHESS subregister of Polaris.
Independent Expert	means Stantons International Pty Limited.
Joint Bid Agreement	means the joint bid agreement between VBL and LAPE dated on or about 30 October 2009.
Joint Venture Agreement	means the joint venture agreement between VBL, LAPE and Lion dated 5 October 2009.
Kenanga Facility	has the meaning given to that expression in Section 5.2.
LAP	means Lion Asiapac Limited.
LAP Resolution	has the meaning given to that expression in Section 7.9(a).
LAPE	means LAP Exploration Pte. Ltd. (Company Registration Number 200917338M), a limited liability company incorporated in Singapore and a wholly-owned subsidiary of LAP.
LDHB	means Lion Diversified Holdings Berhad.
LDHB's Polaris Options	means then 5,047,062 options over ordinary shares in Polaris with an exercise price of \$0.631 expiring 4 January 2010 held by LDHB.
LDHB's Polaris Shares	means the 44,737,912 Polaris Shares held by LDHB.
Lever Brothers	means Lever Brothers (Singapore) Sdn. Bhd.
Lion	means Lion-Asia Resources Pte. Ltd. (Company Registration Number 200917896Z), a limited liability company incorporated in Singapore.
Lion Board	means the board of directors of Lion.
Lion Director	means a director of Lion.
Listing Rules	means the listing rules of ASX as amended or varied from time to time.
LTC	means Lion Teck Chiang Limited.
Material Adverse Change	means any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has a material adverse effect on the business, properties, financial condition results, operations or prospects of the Polaris Group, taken as a whole.
MIN Bidder's Statement	means the bidder's statement of Mineral Resources under part 6.5 of the Corporations Act dated 17 September 2009 relating to the Mineral Resources Offers, as amended from time to time.
Mineral Resources	means Mineral Resources Limited (ABN 33 118 549 910).

Mineral Resources Offer or Mineral Resources Offers	means the Mineral Resources Share Offer and the Mineral Resources Option Offer.
Mineral Resources Share Offer	means the takeover offer by Mineral Resources to acquire all of the ordinary shares in Polaris announced on 20 August 2009 and revised on 15 October 2009 and 11 November 2009.
Mineral Resources Option Offer	means the takeover offer by Mineral Resources to acquire all of the options issued in Polaris announced on 20 August 2009 and revised on 15 October 2009 and 11 November 2009.
Offers or Lion Offers	means the Share Offer and the Option Offer as varied in accordance with the Corporations Act.
Offer Period	means the period during which the Share Offer and the Option Offer will remain open for acceptance in accordance with Section 8.3 and Section 9.3 respectively.
Option Acceptance Form	means the form of acceptance of the Option Offer enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute option acceptance form provided by or on behalf of Lion.
Option Co-operation Agreement	means the option co-operation agreement between Lion and LDHB dated 30 October 2009.
Option Register	means the register of Polaris Optionholders maintained by Polaris in accordance with the Corporations Act.
Option Offer	means the offer for Polaris Options contained in Section 9 of this Bidder's Statement, as varied in accordance with the Corporations Act.
Option Offer Terms	means the terms of the Option Offer set out in Section 9 of this Bidder's Statement.
Polaris	means Polaris Metals NL ABN 18 085 223 570.
Polaris Board	means the board of directors of Polaris.
Polaris Director	means a director of Polaris.
Polaris Group	means Polaris and each of its Subsidiaries.
Polaris Optionholders	means a person who is registered as the holders of Polaris Options in the Option Register.
Polaris Options	means any options to acquire Polaris Shares that have been granted by Polaris, but does not include the Excluded Options.
Polaris Securityholders	means Polaris Shareholders and Polaris Optionholders.
Polaris Share	means a fully paid ordinary share in Polaris.
Polaris Shareholder	means a person who is registered as the holder of Polaris Shares in the Share Register.
Pre-Bid Acceptance Agreement	means the agreement dated 20 August 2009 between Heron and Mineral Resources pursuant to which Heron agreed to accept the Mineral Resources Offer in respect of Polaris shares held by Heron to a maximum of 19.9% of the fully paid ordinary shares of Polaris.

Glossary and Interpretation (cont.)

Prescribed Occurrence	<p>means any of the following events:</p> <ul style="list-style-type: none"> (a) Polaris or any of its Subsidiaries converts all or any of its securities into a larger or smaller number of securities; (b) Polaris or any of its Subsidiaries resolves to reduce its capital in any way; (c) Polaris or any of its Subsidiaries: <ul style="list-style-type: none"> (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act; (d) Other than with the prior written consent of Lion, Polaris or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option; (e) Polaris or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security convertible into shares; (f) Polaris or any of its Subsidiaries agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital; (g) Polaris makes any change to its constitution; (h) Polaris or any of its Subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Polaris Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds \$250,000 in aggregate; (i) Polaris or any of its Subsidiaries disposes of, or agrees to dispose of, any assets, properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds \$250,000 in aggregate; (j) Polaris or any of its Subsidiaries creates, or agrees to create, any mortgage, charge, lien or other encumbrance over its business or any part of its property other than in the ordinary course of its business; (k) Polaris or any of its Subsidiaries incurs any financial indebtedness or issues any indebtedness or debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the Announcement Date where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (h) of this definition; (l) Polaris or any of its Subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in Polaris or any wholly-owned Subsidiary of Polaris in the ordinary course of business), other than in the ordinary course of business; (m) Polaris or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Polaris or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days; (n) a liquidator or provisional liquidator of Polaris or any of its Subsidiaries is appointed; (o) a court makes an order for the winding up of Polaris or any of its Subsidiaries; (p) an administrator of Polaris or of any of its Subsidiaries is appointed under sections 436A, 436B or 436C of the Corporations Act; (q) Polaris or any of its Subsidiaries ceases, or threatens to cease, to carry on business; (r) Polaris or any of its Subsidiaries executes a deed of company arrangement; (s) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Polaris or any of its Subsidiaries;
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	<p>(t) Polaris or any of its Subsidiaries is deregistered as a company or otherwise dissolved;</p> <p>(u) Polaris or any of its Subsidiaries is or becomes unable to pay its debts when they fall due; or</p> <p>(v) the trustee of any trust in which Polaris or any of its Subsidiaries has an interest of more than 50% and which would, if it were a company, be a Subsidiary of Polaris undertaking an action in respect of that trust if the corresponding action, in the case of Polaris and its Subsidiaries, would (mutatis mutandis) constitute a Polaris Prescribed Occurrence.</p>
Public Authority	means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.
Put Option Agreement	means the put option entered into by VBL and LAPE on 5 October 2009 under which LAPE has a right to require VBL to acquire the shares in Lion held by LAPE in the event that LAP shareholders do not ratify the Bid after close of the Offer Period.
Put Option Shares	has the meaning given to that expression in Section 7.10.
Register Date	means 7.00pm on 13 November 2009.
Regulatory Approval	means all necessary approvals for the proposed transaction, including (without limitation): <p>(a) approvals which are required by Law or by any Public Authority to permit the Offers to be made to and accept by Polaris Shareholders and/or Polaris Optionholders in all applicable jurisdictions; and</p> <p>(b) all approvals which are required by any Public Authority as a result of the Offers or the acquisition of the Polaris Shares or the Polaris Options and which are necessary for the continued operation of the business of Polaris and its Subsidiaries or of Lion or its Subsidiaries.</p>
Related Entity	means in relation to a person, any entity which is related to that person within the meaning of section 50 of the Corporations Act or which is in an economic entity (as defined in any approved Australian accounting standard) that is controlled by that person.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the Polaris Shares or the Polaris Options (as the context requires), whether directly or indirectly, including without limitation all rights to receive dividends (and any attaching franking credit), to receive or subscribe for shares, units, notes, options or other securities and to receive all other distributions or entitlements declared, paid, made or issued by Polaris or any Subsidiary of Polaris after the Announcement Date.
Second Announcement Date	means 16 October 2009.
Securityholder Reference Number or SRN	means the number allocated by Polaris to identify a Polaris Shareholder or Polaris Optionholder on its issuer sponsored subregister.
SGX or SGX-ST	means the Singapore Exchange Securities Trading Limited.
Share Offer	means the offer for Polaris Shares contained in Section 8 of this Bidder's Statement, as varied in accordance with the Corporations Act.

Glossary and Interpretation (cont.)

Share Offer Consideration	has the meaning given to that expression in Section 8.2.
Share Offer Terms	means the terms of the Share Offer set out in Section 8 of this Bidder's Statement.
Share Register	means the register of Polaris Shareholders maintained by Polaris in accordance with the Corporations Act.
Share Registry	means Link Market Services Limited (ABN 54 083 214 537).
Subsidiary	means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.
Takeover Transferee Holding	means the CHESS Holding to which Polaris Shares are to be transferred pursuant to acceptances of the Share Offer.
Tan Sri William Cheng	means Cheng Heng Jem (Malaysian Passport Number A10732965).
Trading Day	has the meaning given to it in the Listing Rules.
Transactions	means: (a) the acquisition of Polaris Shares by Lion under the Share Offer; and (b) any acquisition of an interest in Polaris Shares by VBL that arises as a result of the exercise of the Put Option under the Put Option Agreement.
VBL	means Vital Bond Limited (Company Registration Number 1544869), a private investment company incorporated in the British Virgin Islands and wholly-owned by Tan Sri William Cheng.
Your Polaris Options	means, subject to Sections 9.6(a) and 9.6(b), the Polaris Options in respect of which you are registered or entitled to be registered as holder in the Options Register on the Register Date, and to which you are able to give good title at the time you accept the Option Offer during the Offer Period.
Your Polaris Shares	means, subject to Sections 8.6(a) and 8.6(b), the Polaris Shares in respect of which you are registered or entitled to be registered as holder in the Share Register on the Register Date and to which you are able to give good title at the time you accept the Share Offer during the Offer Period.

10.1 INTERPRETATION

- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Rules have that meaning in this Bidder's Statement and in the Acceptance Form unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- (e) References to Sections are to Sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the Section in which the reference to the paragraph is made.
- (g) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars", "\$" or "cents" are to Australian currency, unless stated otherwise.

Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the directors of Lion-Asia Resources Pte. Ltd.

Dated 13 November 2009

Signed for and on behalf of Lion-Asia Resources Pte. Ltd by:



Loh Kgai Mun
Director

Polaris' ASX Announcements

The following announcements have been released on the ASX in relation to Polaris since the announcement of the Mineral Resources Offer on 20 August 2009.

Date Lodged	Description of Document
12 Nov 2009	Polaris recommends improved Mineral Resources Offer
11 Nov 2009	MIN: Formal notice of variation of POL Share Offer
11 Nov 2009	Statement from Lion re: revised MIN offer
11 Nov 2009	MIN: Mineral Resources Offer
11 Nov 2009	Improved Mineral Resources Offer
11 Nov 2009	POL: MIN improves POL Offer and makes offers unconditional
9 Nov 2009	Becoming a substantial shareholder from Arnhold and S. Bleichroeder Advisors, LLC
6 Nov 2009	Boardroom Radio Audio Broadcast
5 Nov 2009	MIN: Third Supplementary Bidder's Statement
30 Oct 2009	MIN: Extension of Takeover Offers
30 Oct 2009	Boardroom Radio Audio Broadcast
30 Oct 2009	FIRB Ruling on T/O Offer by Lion-Asia Resources P/L
30 Oct 2009	Mineralisation Identified at Johnston Range
28 Oct 2009	Notice of annual general meeting/proxy form
27 Oct 2009	First Quarter Activities Report
27 Oct 2009	First Quarter Cashflow Report
19 Oct 2009	Recommendation of revised takeover offer from Lion
19 Oct 2009	Change of substantial shareholding from MIN
16 Oct 2009	Lodgement of second supplementary bidder's statement by MIN
16 Oct 2009	Revised takeover offer from Lion
15 Oct 2009	Appendix 3B – Exercise of Options
15 Oct 2009	Formal notices of variation and extension of POL offers from MIN
15 Oct 2009	POL Board recommends revised takeover offer from MIN
15 Oct 2009	Revised takeover offer from MIN
14 Oct 2009	Change of substantial shareholding from MIN
13 Oct 2009	Weelumurra tenement granted
9 Oct 2009	Update on takeover offers
9 Oct 2009	Change of substantial shareholding from MIN
7 Oct 2009	Becoming a substantial shareholder from Lion
6 Oct 2009	POL directors accept MIN offers
6 Oct 2009	POL board is considering Lion's cash takeover offer

Polaris' ASX Announcements (cont.)

Date Lodged	Description of Document
6 Oct 2009	Change of substantial shareholding from MIN
6 Oct 2009	Takeover offer announcement from Lion
5 Oct 2009	Change of substantial shareholding from MIN
2 Oct 2009	Lodgement of first supplementary bidder's statement by MIN
2 Oct 2009	Potential competing offer for Polaris
2 Oct 2009	Change of substantial shareholding from MIN
1 Oct 2009	Heron Resources accepts MIN offer for POL shares
1 Oct 2009	Change of substantial shareholding from MIN
30 Sept 2009	Annual report to shareholders / Full year statutory accounts
29 Sept 2009	Australian Financial Review Article re: potential rival offer from LDHB
25 Sept 2009	Change of substantial shareholding in NTU from POL
25 Sept 2009	Appendix 3B – Exercise of Options
24 Sept 2009	Completion of mailing of MIN bidder's statement
24 Sept 2009	Opening of MIN offers for POL
18 Sept 2009	AMEC Investor Briefing Presentation
18 Sept 2009	Lodgement of Target Statement with ASIC by POL
17 Sept 2009	Change of substantial shareholding from MIN
17 Sept 2009	Lodgement of Bidder's Statement with ASIC by MIN
14 Sept 2009	TKL: Option agreement – Jameson Range in Musgrave
4 Sept 2009	Appendix 3B – Exercise of Options
2 Sept 2009	Canary Events Iron Ore Investor Forum Audio Broadcast
27 Aug 2009	Iron Ore Investor Forum Presentation
21 Aug 2009	AMEC Investor Briefing Presentation
21 Aug 2009	Becoming a substantial shareholder from MIN
21 Aug 2009	Boardroom Radio Audio Broadcast
21 Aug 2009	Letter to Shareholders
20 Aug 2009	Takeover Presentation – Mineral Resources Limited

ASIC Exemption – Joint Bid Relief

09-00852

Australian Securities and Investments Commission Corporations Act 2001 – Subsection 655A(1) – Revocation and Exemption

Under paragraph 655A(1)(a) of the *Corporations Act 2001 (Act)* the Australian Securities and Investments Commission (*ASIC*) revokes ASIC instrument [09-00838] dated 5 October 2009 and exempts the persons named in Schedule A from section 606 of the Act in respect of the acquisition referred to in Schedule B on the conditions set out in Schedule C and for so long as those conditions are met.

Schedule A

Lion-Asia Resources Pte. Ltd., a company incorporated in Singapore (*Bidco*)

Vital Bond Limited, a company incorporated in the British Virgin Islands (*VBL*)

LAP Exploration Pte. Ltd., a company incorporated in Singapore (*LAPE*)

Lion Asiapac Limited, a company incorporated in Singapore (*LAP*)

Schedule B

An acquisition of a relevant interest in issued voting shares in Polaris Metals NL ACN 085 223 570 (*Polaris*) arising from the entering into an agreement dated 5 October 2009 (the *Cooperation Agreement*) between Bidco and Lion Diversified Holdings Berhad, a company incorporated in Malaysia (*LDHB*), (collectively, the *Parties*) for the purpose of Bidco making a takeover bid under Chapter 6 of the Act for all of the issued voting shares in Polaris (the *Bid*), where:

- (a) as at the date of the Cooperation Agreement:
 - (i) LDHB has a relevant interest in 25.4% of the issued voting shares in Polaris;
 - (ii) Tan Sri William Cheng Heng Jem (*Cheng*) has a relevant interest in 25.4% of the issued voting shares in Polaris;
 - (iii) Cheng, together with his associates, controls LDHB for the purposes of section 608(3)(b) of the Act;
 - (iv) LDHB, together with its associates, controls LAP for the purposes of section 608(3)(b) of the Act;
 - (v) LAPE is a wholly-owned subsidiary of LAP; and
 - (vi) VBL is wholly-owned by Cheng;
- (b) immediately prior to Bidco and LDHB entering into the Cooperation Agreement:
 - (i) neither Bidco, VBL, LAPE or LAP had a relevant interest in issued voting shares in Polaris;
 - (ii) LAPE was the beneficial owner of 50% of the issued voting shares in Bidco; and

ASIC Exemption – Joint Bid Relief (cont.)

09-00852

- (iii) VBL was the beneficial owner of 50% of the issued voting shares in Bidco;
- (c) Cheng and LDHB, or their respective controlled entities, have entered into a relevant agreement for the purpose of controlling or influencing Polaris' affairs (the *Joint Bid Agreement*); and
- (d) in furtherance of the Joint Bid Agreement, Bidco and LDHB have entered into the Cooperation Agreement in the form of the agreement provided to ASIC on 5 October 2009.

Schedule C

1. The Bid must be subject to a defeating condition that, during or at the end of the offer period, Bidco has received valid acceptances for not less than 50.1% of the bid class securities that Bidco offers to acquire under the Bid excluding:
 - (a) any bid class securities in which the Parties, Cheng, VBL, LAPE, LAP and their respective associates have a relevant interest at the beginning of the offer period; and
 - (b) any bid class securities the subject of a pre-bid acceptance agreement between Heron Resources Limited ACN 068 263 098 and Mineral Resources Limited ACN 118 549 910 dated 20 August 2009;and the bidder's statement in respect of the Bid includes a statement to the effect that the defeating condition will not be waived.
2. The Parties must use their best endeavours to have Polaris engage an independent expert to prepare a report on whether, in the expert's opinion, the Bid is fair and reasonable to Polaris shareholders not associated with the Parties, Cheng, VBL, LAPE, LAP or their respective associates.
3. The Parties must immediately terminate or procure the termination of the Cooperation Agreement, and any other agreements or arrangements between any of the Parties, Cheng, VBL, LAPE, LAP and their respective associates in relation to the Bid, if the Bid does not proceed, or fails, because of a defeating condition that has been neither satisfied nor waived.

Dated 12 October 2009



Signed by Louise Swan
as a delegate of Australian Securities & Investments Commission

ASIC Exemption – Polaris Options

09-00881

Australian Securities and Investments Commission Corporations Act 2001 – Paragraphs 655A(1)(b) and 669 (1)(b) – Exemption and Declaration

- 1 Under paragraph 655A(1)(b) of the Corporations Act 2001 (*Act*), the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6A of the Act applies to the person specified in Schedule A in the case specified in Schedule B as if:
 - (a) subsection 605(2) of the Act were modified or varied by:
 - (i) deleting "or" at the end of paragraph (a);
 - (ii) deleting "." at the end of paragraph (b) and replacing it with "; or"; and
 - (iii) inserting the following new paragraph after paragraph (b):

"(c) they are options which have different exercise prices and exercise dates".
 - (b) subsection 618(1) were modified or varied by inserting the words "or compensate the holders of such securities for the cancellation, surrender or forfeiture of" after the word "buy" where it first appears in that subsection;
 - (c) subsection 619(2) was modified or varied by:
 - (i) deleting "." at the end of paragraph (e) and substituting "; and"; and
 - (ii) inserting the following paragraph after paragraph (e):

"(f) any differences in the offers attributable to the fact that the offers relate to options which have different exercise prices or different exercise dates".
- 2 Under paragraph 669(1)(b) of the Act, ASIC declares that Chapter 6A of the Act applies in relation to the person specified in Schedule A in the case specified in Schedule B as if:
 - (a) Division 1 of Part 6A.1 of the Act were modified or varied by adding a new section 661G which reads:

"In this Division, a reference to acquiring securities, when used in relation to non-transferable securities, includes securing binding commitments from holders to the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities";
 - (b) Subsection 666B(1) of the Act were modified or varied by adding the words ", in the case of securities that are capable of being transferred," before the word "the" where first appearing; and
 - (c) Part 6A.3 of the Act were modified or varied by adding a new section 666C which reads:

"(1) Under this section, in the case of securities that are not capable of being transferred, the person acquiring the securities must:

 - (a) give the company that issued the securities a copy of the compulsory acquisition notice under section 661B or 664C together with a deed poll providing for the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities by someone appointed by the person acquiring the securities; and

ASIC Exemption – Polaris Options (cont.)

09-00881

- (b) pay, issue or transfer the consideration for the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities to the company that issued the securities.

The person appointed under paragraph (a) has authority to sign the deed poll on behalf of the holder of the securities.

- (2) If the person acquiring the securities complies with subsection (1), the company that issued the securities must:
 - (a) cancel the securities; and
 - (b) hold the consideration received under subsection (1) in trust for the person who held the securities immediately before the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities; and
 - (c) give written notice to the person referred to in paragraph (b) as soon as practicable that the consideration has been received and is being held by the company pending their instructions as to how it is to be dealt with.
- (3) If the consideration held under subsection (2) consists of, or includes, money, that money must be paid into a bank account opened and maintained for that purpose only."

Schedule A

Lion-Asia Resources Pte. Ltd., a company incorporated in Singapore (*Bidder*)

Schedule B

- 1 Where the Bidder makes an off-market takeover bid (**Options Offer**) for all of the options to subscribe for ordinary shares in Polaris Metals NL ACN 085 223 570 (**Target**) that have an exercise price which is less than the price per ordinary share in the Target offered by the Bidder under a cash off-market takeover bid for all of the ordinary shares in the Target.
- 2 The consideration offered by the Bidder for different options under the Option Offer is equitable having regard to the different exercise prices and expiry dates of the different options.

Dated 20 October 2009



Signed by Louise Swan

as a delegate of the Australian Securities and Investments Commission

ASIC Exemption – Exercise of Polaris Options

09-00979

Australian Securities and Investments Commission Corporations Act 2001 – Subsection 655A(1)(a) – Exemption

Under paragraph 655A(1)(a) of the *Corporations Act 2001* (the *Act*), the Australian Securities and Investments Commission (*ASIC*) exempts the persons in Schedule A from subsection 606(1) of the *Act* in the case referred to in Schedule B.

Schedule A

Lion-Asia Resources Pte. Ltd., a company incorporated in Singapore (**Bidco**).

Vital Bond Limited, a company incorporated in the British Virgin Islands (**VBL**).

LAP Exploration Pte. Ltd., a company incorporated in Singapore (**LAPE**).

Lion Asiapac Limited, a company incorporated in Singapore (**Lion**).

Schedule B

Acquisitions of fully paid ordinary shares in Polaris Metals NL ACN 085 223 570 (**Polaris**) resulting directly from the exercise of options to subscribe for fully paid ordinary shares in Polaris (**Options**) where:

1. Bidco has made a takeover bid for all the issued fully paid ordinary shares in Polaris (**Share Offer**), in respect of which a bidder's statement will be lodged with ASIC on or about 13 November 2009;
2. Bidco has made a takeover bid for all the Options which have an exercise price that is less than the price per share offered under the Share Offer as at the date set by the bidder under subsection 633(2) of the *Act* (**Options Offer**), in respect of which a bidder's statement will be lodged with ASIC on or about 13 November 2009;
3. The Options Offer is subject to a non-waivable defeating condition that the Share Offer:
 - a. becomes, or is declared, unconditional; or
 - b. is subject only to conditions that relate only to the happening of an event or circumstance referred to in subsection 652C(1) or (2) of the *Act*;
4. Offers under the Options Offer and the Share Offer are first sent to each holder of the relevant bid class securities on the same day;
5. The bidder's statements in respect of the Share Offer and Options Offer disclose that Bidco, VBL, LAPE and Lion have received this relief from ASIC and provide a brief description of the terms of the relief.

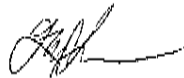
ASIC Exemption – Exercise of Polaris Options (cont.)

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09-00979

6. The bidder's statements in respect of the Share Offer and Options Offer disclose Bidco's intentions in relation to the exercise of Options it acquires under the Options Offer.
7. The bidder's statements in respect of the Share Offer and Options Offer disclose that any Polaris shares issued during the Share Offer bid period upon exercise of any options acquired by Bidco under the Options Offer do not form part of the Share Offer bid class.

Dated 13 November 2009



Signed by Louise Swan
as a delegate of the Australia Securities and Investments Commission

ASX Waiver Instrument



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

3 November 2009

Mr Trevor Verran
Company Secretary
Polaris Metals NL
Level 2
1109 Hay Street
WEST PERTH WA 6005

By Email: tverran@polarismetals.com.au

Dear Trevor

Polaris Metals NL (the "Company")

We refer to the application by the Company for a waiver from listing rule 6.23.4.

ASX Limited has considered the Company's application and decided as follows:

DECISION

1. Based solely on the information provided, ASX Limited ("ASX") grants Polaris Metals NL (the "Company") a waiver from listing rule 6.23.4 to the extent necessary to permit the Company to amend the terms and conditions of all the options which are on their terms incapable of transfer, to permit their transfer to Lion-Asia Resources Pte Ltd ("Lion-Asia") on the following conditions:
 - 1.1. The off-market takeover bid by Lion-Asia for the Company's shares has been declared unconditional.
 - 1.2. Lion-Asia has acquired voting power in the Company of more than 50%.
2. ASX has considered listing rules 6.23.4 only and makes no statement as to the Company's compliance with other listing rules.

BASIS FOR DECISION

Listing rule 6.23.4

Underlying Policy

3. Sets out rules for when option terms can be changed – some terms can be changed with the approval of holders of issued ordinary securities – maintains balance between rights of holders of ordinary securities and holders of options.

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Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

ASX Waiver Instrument (cont.)

Present Application

4. *Entity subject to takeover bid – unquoted options granted by target entity have term that they are not to be transferred – shareholders not disadvantaged by option holders transferring existing options, as consideration is to be provided by bidder – requirement to receive security holder approval for transfer of options for consideration is superfluous – waiver granted.*

If you have any questions, please contact me.

Yours sincerely



Nathan Bartrop

Adviser, Issuers (Perth)

Direct Line: (08) 9224 0029

Corporate Directory

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Singapore Legal Adviser

WongPartnership LLP
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Singapore 049145

Financial Adviser

Wilson HTM Corporate Finance Limited
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1 Farrer Place
Sydney NSW 2000

Share Registry for Offers

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

LION OFFER INFORMATION LINE:

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Monday to Friday between 8.30am and 5.30pm (AEDT time)

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