

14 December 2009

## ASX RELEASE

### MINERAL RESOURCES ACQUIRES OVER 50.1% OF POLARIS ACCEPT MRL'S OFFERS IMMEDIATELY

Polaris notes the announcement by Mineral Resources Limited ("MRL") on 11 December 2009 stating MRL has a relevant interest in approximately 51.29% of Polaris Shares.

Polaris has also received notice from Heron Resources Limited for the exercise of 14.0 million Polaris options. Heron has advised Polaris that it intends to accept the MRL Share Offer immediately upon the issue of the Polaris shares.

Accordingly, following processing of acceptances, MRL will become the controlling shareholder of Polaris.

Under the MRL Share Offer, which is unconditional, Polaris shareholders have certainty that they will receive the offer consideration. Further, the offers by MRL for all Polaris options will also become unconditional.

Commenting on MRL's announcement, Polaris' Managing Director, Ken Hellsten, said:

*"Today's announcement marks an outstanding result for Polaris shareholders. By receiving 1 MRL Share plus \$1.00 cash for every 10 Polaris Shares<sup>1</sup>, shareholders have realised significant value for their Polaris shares, while also having the opportunity to participate in the development of Polaris' assets as part of a larger, financially robust MRL Group. The board of Polaris is extremely pleased with the outcome and the executive team is now looking forward to accelerating development of the company's iron ore projects with Mineral Resources.*

*The Board unanimously recommends that all Polaris shareholders and optionholders accept the MRL takeover offers for their securities without delay."*

The takeover offer by Lion-Asia Resources Pte Ltd ("Lion-Asia") remains subject to a non-waivable minimum acceptance condition. With MRL having a relevant interest of greater than 50.1%, this minimum acceptance condition cannot be satisfied and Polaris shareholders cannot receive payment under the Lion-Asia offers, as they are currently constituted. MRL has confirmed that it does not intend to accept the Lion-Asia offer.

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<sup>1</sup> This means Polaris Shareholders will receive one MRL Share for every 10 Polaris Shares they hold, plus \$0.10 in cash for each Polaris Share they hold.

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The MRL Share Offer and the MRL Option Offer are open until 5.00 pm (WST) on 16 December 2009 and 5.00 pm (WST) on 23 December 2009 respectively, unless extended. The Board of Polaris now **recommends that Polaris shareholders and optionholders accept the MRL Share Offer and MRL Option Offer without delay.**

The Polaris Board believes it is likely that the Polaris share price will fall to a level below the value of the MRL Share Offer, following the close of that offer.

If you have any queries about accepting MRL's Share or Option Offers, please call the Polaris office (08) 9215 1222 between 8.30am and 5.30pm WST.

POLARIS METALS NL



Ken Hellsten

Managing Director

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