



Supplementary Target's Statement

of Polaris Metals NL in response to the offers by Lion-Asia Resources Pte. Ltd to acquire all of your Polaris Shares and Eligible Polaris Options

1. Supplementary Target's Statement

This Supplementary Target's Statement supplements and should be read together with the Target's Statement lodged by Polaris Metals NL ACN 085 223 570 (**Polaris**) with the Australian Securities and Investments Commission (**ASIC**) on 9 December 2009 (**Target's Statement**) in relation to the offers by Lion-Asia Resources Pte. Ltd. (**Lion-Asia**) to acquire all of the Polaris Shares and Eligible Polaris Options contained in the Lion Bidder's Statement.

A copy of this Supplementary Target's Statement has been lodged with ASIC and ASX Limited. Neither ASIC nor any of its officers takes any responsibility for the content of this Supplementary Target's Statement. The date of this Supplementary Target's Statement is 21 December 2009.

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

2. Changes in relation to the MRL Offers

Polaris notes the following matters in respect of the MRL Offers:

- (a) The MRL Option Offer has been varied so as to extend to the 4,375,000 options over Polaris Shares issued by Polaris on 1 December 2009 (**New Options**), with the consideration being as set out in the supplementary bidder's statement issued by MRL and dated 18 December 2009 (**Seventh MRL Supplementary Bidder's Statement**).
- (b) The MRL Share Offer has been varied so as to extend to any Polaris Shares resulting from the exercise of the New Options.

- (c) The consideration being offered under the MRL Option Offer comprises 1 MRL Option (having the terms set out in the MRL Bidder's Statement, as modified by the Seventh MRL Supplementary Bidder's Statement which includes a \$1 reduction in the exercise price for each MRL Option) for every 10 Polaris Options.

3. Directors' recommendation in relation to the Lion Option Offer

In the Target's Statement, the Directors recommended that Polaris Optionholders monitor the status of the MRL Share Offer and the Lion Share Offer to determine which, if either, of Lion-Asia and MRL acquires (or is likely to acquire) more than 50% of Polaris Shares. The Directors also recommend

ed that Polaris Optionholders consider the specific terms of their own Polaris Options when evaluating the offers for Polaris Options by Lion-Asia and MRL and consider seeking professional advice before accepting or rejecting the Lion Option Offer or exercising their Polaris Options.

On 11 December 2009, MRL announced that it had acquired an interest in more than 51% of all Polaris Shares. By a notice dated 16 December 2009, MRL declared the MRL Option Offer unconditional. It is now not possible for the Lion Option Offer to become unconditional, meaning any Polaris Optionholders who accept the Lion Option Offer will not receive the consideration under that Offer.

Accordingly, the Directors unanimously recommend that you reject the Lion Option Offer.

To reject the Lion Option Offer, simply ignore the documents that you receive from Lion-Asia.

4. Further information

If you have any queries regarding the Lion Offers, please contact Polaris on +61 (0)8 9215 1222 Monday to Friday between 8.30 am and 5.30 pm (WST).

5. Approval of Supplementary Target's Statement

This Supplementary Target's Statement is dated 21 December 2009 (being the date on which it was lodged with ASIC) and has been approved by a resolution of the Directors of Polaris.

Signed on behalf of Polaris Metals NL:



Mr Lew Cross
Chairman