

24 June 2008

**IN SPECIE DISTRIBUTION OF POLARIS METALS NL SHAREHOLDING IN  
SOUTHERN CROSS GOLDFIELDS LIMITED**

The Directors of Polaris Metals NL (“Polaris”) and Southern Cross Goldfields Limited (“SXG”) are pleased to advise that Polaris has distributed 22 million fully paid ordinary shares in SXG to Polaris shareholders with holding statements despatched on 23 June 2008.

SXG was listed on the ASX on 20 March 2008, completing a successful spin-off from Polaris of its gold and nickel assets. Polaris obtained 22 million vendor shares and 15 million vendor options in SXG in consideration for the assets.

Polaris also purchased 11,650,000 shares in SXG from the initial public offering. These shares were placed in voluntary escrow for 12 months (unless the Board of SXG agrees to disposal).

Polaris shareholders approved a pro-rata in specie distribution of the 22 million vendor shares in SXG to Polaris’ shareholders within six months of SXG listing.

Each Polaris shareholder has received 1 SXG share for every 5.846 Polaris shares held on the record date of 4 March 2008. Polaris will retain the 15 million vendor options and the 11,650,000 shares purchased in the initial public offering.

Polaris has been granted a waiver from vendor restriction requirements imposed on the shares the subject of the in specie distribution (other than to related parties) which will allow the shares to trade freely.

The share capital account of Polaris will be reduced by approximately \$2.42 million being the dollar amount of the book value of the SXG Shares. This equates to a share capital reduction of \$0.019 per Polaris Share (“Reduction Amount”).

As a result of the return of capital the exercise price of all outstanding options will be reduced by the same amount as the Reduction Amount per Share.

The issued capital of Polaris following the return of capital is:

**Quoted Securities:**

155,957,391 ordinary fully paid shares (ASX: POL)

14,618,709 options at an exercise price of \$0.18 expiring 31/12/08 (ASX: POLO)

**Unquoted Securities:**

2,500,000 options at an exercise price of \$0.23 expiring on 31/12/08

150,000 options at an exercise price of \$0.28 expiring on 31/12/10

14,900,000 options at an exercise price of \$0.28 expiring on 14/07/11

5,047,062 options at an exercise price of \$0.62 expiring on 04/01/10

6,350,000 options at an exercise price of \$0.53 expiring on 31/12/11

50,000 options at an exercise price of \$0.63 expiring on 31/12/11

5,900,000 options at an exercise price of \$0.73 expiring on 31/12/11

For further details of the in specie distribution reference should be made to the Notice of General Meeting dated 17 December 2007.

For and on behalf of  
POLARIS METALS NL



Jonathan Lea  
Managing Director