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## ASX RELEASE

### LAND AND MARINE LOGISTICS COMPANY TOLL AGREES MOU FOR POONDANO AND YILGARN IRON ORE PROJECTS

The Directors of Polaris Metals NL (ASX: POL, "Polaris" or "Company") are pleased to announce the signing of an exclusive Memorandum of Understanding ("MOU") with Toll Holdings Limited for its Singapore-based marine logistics arm, Sembawang Kimtrans Ltd, ("Toll-SKL") and other Toll operations to work towards finalising service agreements in respect of ore haulage, port and ship loading services for the Company's Poondano and Yilgarn Iron Ore Projects in Western Australia.

The relationships that are under consideration are expected to result in substantial up-front capital cost savings for Polaris and accelerated receipt of export income as a result of Toll-SKL providing flexibility during ramp up to full production. The specialist expertise of Toll-SKL in marine logistics, working in conjunction with the relevant Port Authorities, will allow the full range of port handling and ship loading options that can benefit and expedite the projects to be thoroughly investigated.

Toll is one of the Asian region's leading providers of integrated logistics services, generating consolidated revenues of A\$7.5 billion through an operating a network of over 650 sites throughout 17 countries across the region. Toll's access to transport and infrastructure assets includes road fleets, warehousing, ships, air freight capacity, ports and rail rolling stock.

Commenting on the MOU, Polaris' Managing Director Kevin Schultz said: "We are very pleased to be in discussions with such an experienced and reliable operator, so that we can work towards optimised logistics solutions for the Poondano and Yilgarn Projects. The MOU contemplates discussions regarding Toll moving the ore from the mine sites, and bringing their specialist marine logistics expertise to bear on port and ship loading options."

Mr Schultz said: "We are pleased to have established this understanding in respect of a sector of the iron ore export business which is outside our Company's exploration and mining expertise. The interest of Toll, on top of the interest being shown by The Lion Group in securing offtake, is a further endorsement of the potential of the Company's iron ore projects to be brought into production."

#### Poondano and Yilgarn Iron Ore Projects

Polaris holds iron ore tenements spanning over 4,700 km<sup>2</sup> across Western Australia's premier iron regions of the Pilbara and the Yilgarn. The Company's immediate focus is to bring its two most advanced projects on stream:

- the Poondano Project, a channel iron deposit, located 30 km from Port Hedland with target resource potential in excess of 10Mt, and;
- the Yilgarn Project, where exploration is targeting a direct shipping iron ore resource base of 200Mt in close proximity to an established rail link to Kwinana port.

Pre-feasibility studies have commenced on both projects and resource delineation drilling is scheduled to commence in October 2007. A recent economic evaluation study of the Yilgarn Iron Ore Project indicated very robust project economics, and identified that a 10Mtpa, 20 year mining operation was a realistic ramp up objective following commissioning of a 2.5Mtpa operation.

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