



# **Mineral Resources Limited**

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## **MINERAL RESOURCES LIMITED FORMALISES AGREEMENT WITH POLARIS METALS N.L. FOR A POONDANO IRON ORE OPERATION**

Mineral Resources Limited (ASX:MIN) and Polaris Metals N.L. (ASX:POL) have entered into an agreement which grants Mineral Resources an exclusive option to acquire the rights to mine, process, transport and ship all of the iron ore deposited on the Poondano tenements (located approximately 30 kilometres southeast of Port Hedland) currently owned by Polaris.

Under the agreement, Mineral Resources will build, own and operate the site facilities and pay Polaris Metals for each tonne of iron ore removed from the site. The project will potentially generate several million dollars per annum revenue for Polaris.

Mineral Resources has committed to spend at least \$400,000 to complete an operational feasibility review to more definitively establish the quantum and grade of the ore reserve and detail the scope and timetable of the site operations to commence processing and recovery of product.

Peter Wade, Executive Chairman of Mineral Resources, said that Mineral Resources is well placed to bring the Poondano Project into operation in the 2009-2010 financial year with an initial target in excess of 500,000 tonnes per annum of iron ore product for export through Port Hedland.

“The tenements are located in close proximity to existing operations and infrastructure of Process Minerals International (a wholly owned Mineral Resources subsidiary) and allows for the cost effective utilisation of common elements of the company’s supply chain from mine to port to optimise production and profitability from the resource.”

“Process Minerals has proven performance in the recovery and processing of ferrous and non-ferrous base metals from smaller mineral tenements in Western Australia that would be uneconomic for the tenement owners to develop. The Company’s ability to use existing Group personnel, plant and infrastructure to mine and process the ore from the tenements, its low cost transport links, together with the company’s existing strong relationship with Chinese customers for both iron ore and manganese, provides a low cost, secure operation that will add value to all of the company’s stakeholders.” Mr Wade said.

Ken Hellsten, Managing Director of Polaris Metals, has welcomed the agreement with Mineral Resources which will provide Polaris Metals with a significant operational cash flow without the need for any capital investment once production of iron ore product from the Poondano tenement commences.



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“The partnership arrangement with Mineral Resources at Poondano allows Polaris Metals to focus its management effort on bringing the advanced Yilgarn Iron Ore Project (YIOP) on stream as its primary development and exploration of the exciting Weelumurra project in the Pilbara. The YIOP project has a target resource potential of over 100 million tonnes of direct shipping grade iron ore mineralisation in close proximity to Kwinana and Esperance rail links while Weelumurra holds potential for 300 million tonnes of iron ore deposits.”

“The Mineral Resources proposal can be seen as part of our longer term development process to establish strategic alliances with partners with complementary skills that can add value and support our growth aspirations on our projects. We clearly recognise the synergies that flow from a collaborative arrangement between Polaris Metals and Mineral Resources on the Poondano tenements and look forward to developing further areas of mutual co-operation” said Mr Hellsten.

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*Mineral Resources Limited is a leading, integrated, Australian based mining services and processing company with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export. Operations are supplemented by rehabilitation and sale of heavy duty crushing and processing equipment, hire of engineering and crushing fleet plant and workshop manufacture of polyethylene pipe fittings and components.*

*Comprising three long standing core businesses, PIHA Pty Ltd, Crushing Services International Pty Ltd and Process Minerals International Pty Ltd, Mineral Resources Limited has developed a strong reputation for the cost effective delivery of its services and products to the resources and infrastructure sectors.*

For further information:

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