

24 May 2006

ASX RELEASE

UPDATE : GOLD EXPLORATION ACTIVITIES

- **Clampton North “Andromeda” gold mineralisation extended 100m north and still open, with 10m at 1.58g/t Au intersected including 4m at 2.59g/t.**
- **Sand Plain RAB results highly significant as new greenfield discoveries, with indications of nickel and copper as well as gold.**
- **56.8g/t gold in the first metre of a RAB hole at Jackson Project.**

The Directors of Polaris Metals NL (ASX: POL, “Polaris”) are pleased to report encouraging results from recently completed reconnaissance rotary air blast (RAB) drilling at the Clampton North Project, 150km north of Southern Cross in Western Australia. Polaris is earning 80% interest with the remaining 20% held by Cape Lambert Iron Ore Limited. Results from recent RAB drilling at the Jackson Project, 30km to the south, are also reported.

Clampton North Gold Geochemical Anomalies

In November 2005, Polaris announced a significant new discovery of mineralisation beneath anomalous concentrations of gold in a soil-covered area referred to as “Andromeda”, with CNRB022 intersecting up to 8.2 g/t Au in a RAB drill intersection of 7m at 2.4g/t Au. Follow up reverse circulation drilling was deferred pending the outcome of exploration further north where auger geochemical surveys revealed extensive gold anomalies (Sand Plain Anomalies).

Reconnaissance first-pass RAB drill testing of the Sand Plain gold anomalies was completed in April with 87 holes drilled for a total of 5,103m including a step out traverse of RAB holes across the projected northern strike direction of the Andromeda mineralisation (see Figure 1). Composite-sample assay results are now available.

Andromeda Mineralisation Extended

A traverse of RAB holes was drilled across the projected strike direction of the gold mineralisation in CNRB022 (7m at 2.4g/t Au) in a 100m step out to the north. The step out was successful and hole CNRB121, intersected 10m averaging 1.58g/t Au from 45-55m, including 4m at 2.59g/t Au. The mineralisation remains open to the north and further drilling is planned.

Sand Plain Southwest RAB Results

Anomalous gold (up to 1.8g/t Au over 4m) has been encountered in a number of holes over more than 500m strike length at the western edge of the greenstone belt 7.5km north of Andromeda. Drilling to date across the mineralised structure comprises only four broadly-spaced RAB traverse lines. The results suggest significant potential for an economic gold discovery, and an extensive follow-up drilling program is being planned.

The Sand Plain Southwest soil gold anomaly coincides in part with a 2km-long magnetic anomaly believed to be due to underlying ultramafic rocks. RAB drilling to test the strongest part of the magnetic anomaly encountered nickel up to 0.33% and copper up to 0.13%. This geochemical combination suggests the area also has potential for nickel sulphides.

Other Sand Plain Anomalies

All of the other Sand Plain soil anomalies were found to be due to low grade gold mineralisation (0.1g/t - 0.5g/t Au) associated with sheared and altered Diemals Formation clastic sediments. One of the holes also encountered 0.4% copper over 3m. The results reveal very large areas of mineralisation requiring follow up investigations, and there are several more targets that are as yet completely untested.

Exploration Significance of the Results

Polaris geologists regard the Andromeda and Sand Plain mineralisation as highly significant greenfield discoveries in an area that is extensively soil and sand covered, and under-explored for gold. Regional fault structures at the western margin of the Marda-Diemals greenstone belt share similar geological characteristics with regional structures in the other Western Australian greenstone belts where exploration is more advanced and major gold deposits have been discovered over the last 25 years.

Juxtaposed highly altered and sheared ultramafics and conglomeratic clastic sediments, with felsic intrusives, are typical rock types of highly productive gold camps in Archaean greenstone belts worldwide. Lateritic regolith sampling in the area under a joint CSIRO/AMIRA geochemical project in the 1980s showed that Yarbu - Clampton North stands out as an area of anomalous concentrations of metals, including gold and pathfinder elements such as arsenic and tungsten. Polaris' exploration is at an early stage and shows considerable promise.

Jackson RAB Results

In the recent RAB drilling of nugget gold discovery sites at the Jackson JV Project the first metre of one hole gave an extremely high assay, with a check assay on re-sampling of 56.8g/t Au. It is likely that the source of the high grade in the drill hole is fine alluvial gold at surface.

Such results are in keeping with the history of the Jackson field, which has a record of high grade ore shoots in historical mine production from quartz reefs.

RAB drilling by Polaris during the December 2005 quarter targeted some of the larger scale structures in the area and produced results such as 4m at 3.5g/t Au from 13m, 11m at 2.5g/t Au from 27m, 6m at 2.5g/t Au from 23m and 2m at 15.5g/t Au from 57m. Follow up pattern RC drilling may be expected to encounter some higher grade shoots.

Future Plans

Polaris now has an exciting array of gold targets on its Bullfinch North, Clampton North, Evanston and Jackson Projects, as well as nickel targets at Bullfinch North and Clampton North. These are to be followed up in a major RC drilling program that is currently being planned.

As recently announced, the Company intends merging its other gold prospects, south of Southern Cross, with a package of highly prospective gold prospects held by Gondwana Resources Limited to form a new gold exploration company, Regatta Resources Limited. Polaris' uranium prospects are also set for a spin-off through Northern Uranium Limited.

The objective is to enable the Company to more effectively service its priority iron ore exploration projects in the Yilgarn Iron Province and at Goldsworthy in the North Pilbara, and to sharpen its focus on a smaller number of high quality gold targets that now have proven potential for discovery of a major deposit.

INVESTOR INFORMATION

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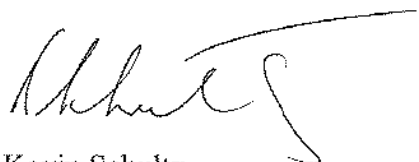
Capital Structure:

Share Price (POL): \$0.17
 Issued Shares: 50.3m
 Market Cap: \$8.5m
 Options 20c (POLO): 20.7m
 Options 25c (Unlisted): 3.6m

Company Management:

Lewis Cross - Non executive Chairman
 Kevin Schultz - Managing Director
 Vernon Strange - Non executive Director
 Colin McCavana - Non executive Director

For and on behalf of
 POLARIS METALS NL



Kevin Schultz
 Managing Director

Competent Person Declaration

The information on mineralisation, potential mineral deposits and targets in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr K Schultz, an employee of the Company who is a Fellow of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Figure 1
CLAMPTON NORTH GOLD ANOMALIES

