

ASX ANNOUNCEMENT

ASX Code: MMX

30 September 2009

ROCKLEA MINERAL RESOURCE UPDATE

Murchison Metals Limited (ASX: MMX) is pleased to announce an updated Mineral Resource estimate for its 100% owned Rocklea Iron Ore Project in Western Australia.

Since announcing a maiden resource in February 2009, Murchison has conducted a comprehensive infill drilling program, with a focus on the eastern part of the project and a higher grade zone identified as part of previous drilling campaigns.

The latest estimate confirms Murchison's view that Rocklea is developing as an attractive Channel Iron Deposit (CID), with the potential for a proportion of the resource to be suitable for direct shipping. The deposit has a maximum total depth of 43m, demonstrates consistent widths and is close to existing and planned rail infrastructure, located only 35km from the mining town of Tom Price (Figure 1).

The updated Mineral Resource is summarised in the following table:

Recoverable Resource Estimate – Rocklea CID

	Million	Cut Off	CaFe	Fe	P	SiO ₂	Al ₂ O ₃	LOI
Category	Tonnes (Wet)	% Fe	%	%	%	%	%	%
Indicated	15	50	60.0	53.2	0.04	7.7	4.0	11.4
Inferred	74	50	59.9	53.2	0.03	8.3	3.4	11.2
Total	89	50	59.9	53.2	0.03	8.2	3.5	11.2
Including a higher grade zone of:								
Indicated	8	53	61.6	54.6	0.04	6.6	3.1	11.3
Inferred	38	53	61.5	54.6	0.03	7.2	2.6	11.1
Total	46	53	61.5	54.6	0.03	7.1	2.7	11.1

Recent large diameter diamond drilling has enabled the measurement of more than 300 in-situ bulk density values from representative locations across the deposit (Figures 2, 3). This has led to a revision of the wet density assumed in the estimate from 2.6 to 2.4 t/m³, resulting in a marginally lower tonnage than that reported as part of the initial resource estimate in February 2009.

SRK Consultants was engaged by Murchison to complete the grade estimation. SRK has used a recoverable resource estimation method known as uniform conditioning. When compared to the initial resource estimate of February 2009, significantly higher grades have been estimated.

Murchison considers that a higher grade portion of the resource is likely to be suitable for direct shipping, and this will form a focal part of the scoping study that is currently underway and due for completion by the end of 2009.

Also as part of the scoping study, Promet Engineers is currently supervising metallurgical testwork aimed at identifying a suitable simple processing route to upgrade additional tonnages.

Importantly, the improved density estimate, closer spaced drilling, analysis of quality assurance data and the improved grade estimation has allowed part of the Mineral Resource to be classified as Indicated, commensurate with the higher level of confidence in the tonnage and grade estimate.

Murchison Executive Chairman Paul Kopejtko said the Company was pleased with the speed with which the Rocklea Project has progressed.

"This highlights the ability of Murchison to develop and bring on line projects in a timely and efficient manner, underpinned by strict investment criteria and strong financial disciplines," said Mr Kopejtko.

"A prime example of this was the accelerated development of the Jack Hills Stage 1 project which came into production in early 2007, with the rapid development program delivering strong upfront cash flows for Murchison.

"In the last 12 months, Murchison has taken the Rocklea project from greenfields exploration to a significant Indicated Mineral Resource.

"Rocklea is shaping up to be an attractive CID deposit, with shallow geometry that may flow on to low stripping ratios which could have positive implications for future mining costs."

The scoping study is due for completion at the end of 2009.

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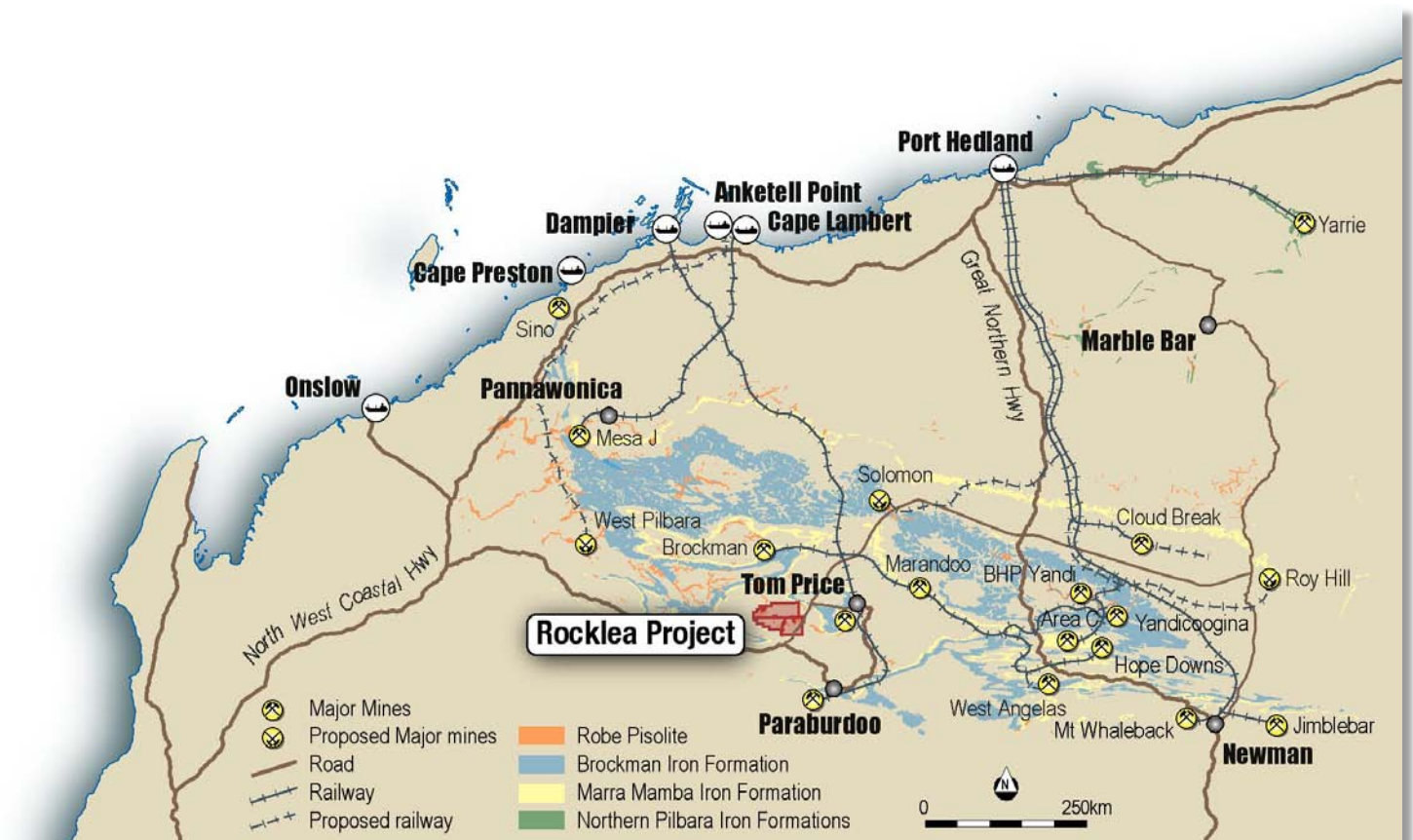


Figure 1 - Location Plan

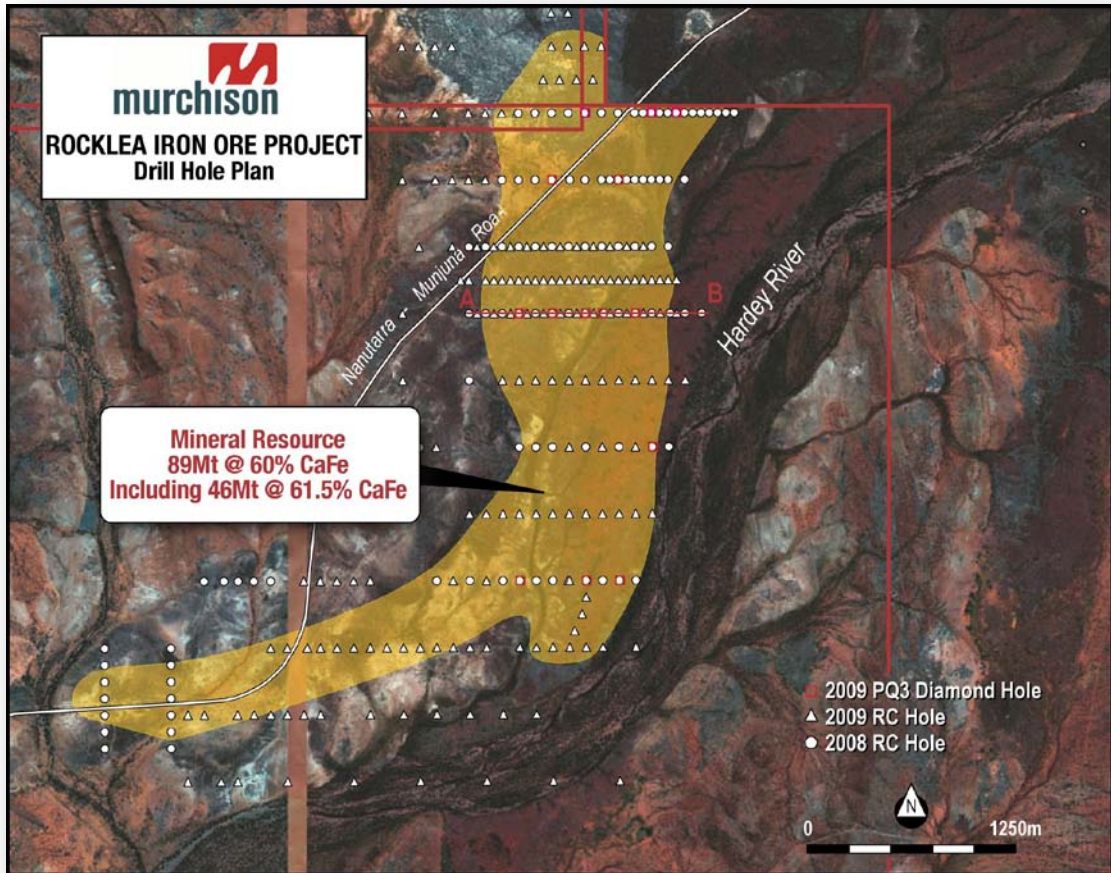


Figure 2 - Drill Hole Plan

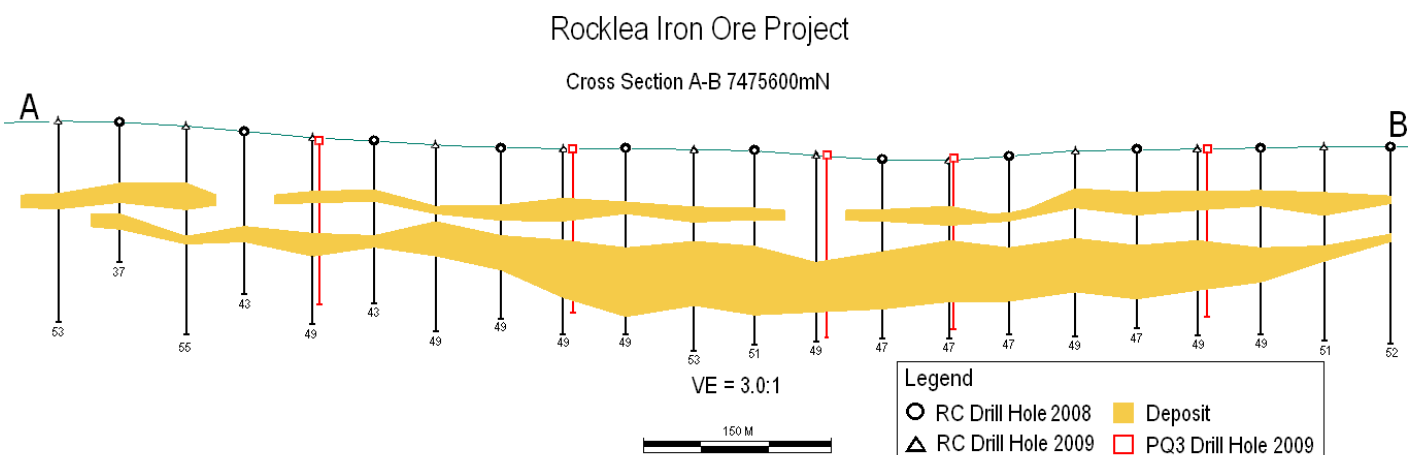


Figure 3 - Cross Section at 7475600mN

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About Murchison

Murchison Metals Limited ("Murchison") is an Australian ASX listed company. Murchison is included in the S&P/ASX 200 Index.

Murchison has a 50% economic interest in Oakajee Port and Rail (OPR), an independent infrastructure business established to construct new port and rail infrastructure to provide logistics services to miners (including Crosslands) and other potential customers in the mid-west region of WA. The remaining 50% economic interest in OPR is held by Mitsubishi Development Pty Ltd ("Mitsubishi"), a subsidiary of Mitsubishi Corporation, Japan's largest general trading company.

Murchison is also a 50% shareholder in Crosslands Resources Ltd which is the owner of the Jack Hills iron ore project located in the mid-west region of Western Australia. The remaining 50% of Crosslands is held by Mitsubishi.

In addition to its investments in Crosslands, OPR and its Rocklea iron ore project (100% Murchison) located in the Pilbara, Murchison is actively exploring growth opportunities in iron ore, coal and manganese in accordance with its approved corporate strategy.

Technical Information

Nominal drill hole spacing for Inferred	400x50m to 400x100m
Nominal drill hole spacing for Indicated	200x50m
Samples within wireframe	2356 1m samples
Down hole compositing interval	2m
Assay Laboratory	Kalassay Midvale
Ordinary kriging panel size	200x50x2m
SMU for reporting uniform conditioning	10x20x2m
Quality Assurance	Industry Standard
Calcined Iron (CaFe) formula	$CaFe = Fe / (100 - LOI)$

Competent Persons Statement

The information in this report that relates to data collection and geological interpretations for the Mineral Resources is based on information compiled by Sean Gregory, who is a member of The Australasian Institute of Mining and Metallurgy and a full time employee of Murchison Metals Limited.

The information in this report that relates to the grade estimation of the Mineral Resources is based on information compiled by Bruce Sommerville, who is a member of The Australasian Institute of Mining and Metallurgy and a full time employee of SRK Consulting.

Mr Gregory and Mr Sommerville have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Mr Gregory and Mr Sommerville consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.