

ASX ANNOUNCEMENTASX Code: **MMX**

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MURCHISON CONFIRMS MID-WEST JOINT VENTURE ARRANGEMENTS AND STRUCTURES

Murchison Metals Limited (Murchison) wishes to respond to reports and speculation on the structures and joint venture agreements underpinning its mining and infrastructure businesses in the mid-west region of Western Australia.

Murchison confirms that:

- It is not contemplating any fundamental changes to the core joint venture agreements or structures with its partner Mitsubishi Development Pty Ltd (Mitsubishi);
- Financing plans for the projects, including the deferred payment that Mitsubishi is required to make to Crosslands Resources Ltd (Crosslands) for Mitsubishi's 50% interest in the Jack Hills project, are unaffected by recently announced changes to the development schedules;
- It firmly believes existing structures and joint venture agreements will deliver high quality, efficient port and rail infrastructure for miners in the mid-west.

Murchison and Mitsubishi jointly own Crosslands (developer of the Jack Hills Expansion Project) and Oakajee Port & Rail (developer of the mid-west port and rail infrastructure).

Murchison believes that the current ownership structure is an appropriate structure for delivering the infrastructure projects.

The recent review by Murchison and Mitsubishi confirmed the pivotal role of the JHEP in the development of the port and rail infrastructure. Based on current production expectations from foundation customers of the infrastructure project, Crosslands is expected to be the biggest initial customer and is therefore fundamental to the viability of the mid-west infrastructure business.

OPR has developed protocols for engaging with its foundation customers that constitute best practice in contemporary open access arrangements and in dealing with all customers on a fair and equal basis.

This includes Crosslands, which is subject to the same stringent protocols as the other foundation customers, notwithstanding its ownership.

Without Crosslands, the infrastructure project is not viable, as has been the case since the Government of Western Australia called for expressions of interests for parties to develop the infrastructure.

OPR is the only company that has the engineering, access approvals, legal and commercial arrangements sufficiently advanced to be capable of commencing and completing the port and rail infrastructure within a timeframe that should be acceptable to stakeholders.

Murchison and Mitsubishi have expended approximately \$370 million on the projects to date and will continue to incur significant expenditure in the period leading up to a final investment decision.

The recent Murchison-Mitsubishi review confirmed Murchison's strong belief in the economic viability of the port and rail and mining projects.

The changes to the schedules for the JHEP and Oakajee projects announced last week will require an extension of certain provisions in the State Development Agreement made between the WA Government, OPR, Crosslands, Murchison and Mitsubishi.

The SDA expressly provides for such a request and, as previously announced by Murchison, a formal request has been made.

In requesting timetable changes under the SDA, Murchison and Mitsubishi reaffirmed their commitment to the mining and infrastructure joint ventures and to the completion of the BFSs within months.

In progressing the infrastructure project, Murchison remains very confident that the mid-west infrastructure assets will be delivered within the revised schedule timetable and in a manner that will benefit all miners and others stakeholders throughout the region.

-ENDS-

For further information, please contact:

Paul Kopejtko
Executive Chairman
Murchison Metals Ltd
+61 8 9492 2600

John McGlue
Managing Director
FD
+61 8 9386 1233
+61 417 926 915

About Murchison

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

Murchison is a 50% shareholder in Crosslands Resources Ltd ("Crosslands") 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 Development Pty Ltd ("Mitsubishi"), a subsidiary of Mitsubishi Corporation, Japan's largest general trading company.

Murchison also has a 50% economic interest in an independent infrastructure business, Oakajee Port and Rail Joint Venture ("OPR"). OPR was 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.

In addition to its investments in Crosslands and OPR, Murchison owns the Rocklea iron ore project in the Pilbara region of WA.