

ASX ANNOUNCEMENT
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ROCKLEA SCOPING STUDY INDICATES ROBUST PROJECT

Murchison Metals Limited (ASX: MMX) is pleased to report the results of a scoping study for its 100% owned Rocklea Iron Ore Project, located about 30km from the town of Tom Price in Western Australia's Pilbara Region.

The results of the scoping study have shown that an economically robust project is possible at Rocklea, with resources sufficient to support potential production rates of up to 10Mtpa.

Other highlights of the study include:

- Test work confirms that the Resource can be upgraded by simple scrubbing and jigging
- Marketable product specifications have been selected
- Initial capital expenditure estimate of A\$370m including A\$44M contingency
- Delivered mine gate operating cost estimate of A\$21/t

Murchison will now explore infrastructure options for the project to secure a viable transportation solution that would take product to port for export.

Selection of the export infrastructure route remains the key consideration for the project. There are three existing or planned rail and port infrastructure operators between 20km and 100km from Rocklea.

Murchison is also watching with interest the emerging new regulatory framework for third party access to resource infrastructure assets in the Pilbara.

The base input to the study was Murchison's Rocklea Mineral Resource as summarised in table 1.

	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

Table 1 - Rocklea CID Recoverable Resource Estimate¹

Metallurgical test work on samples from large diameter drill cores has shown that the Rocklea lump and fines products can be upgraded using simple scrubbing and lump jigging processes. A product specification of 55% Fe for both lump and fines with acceptable contaminant levels is targeted.

Mining studies applied the beneficiation algorithms from the metallurgical test work to the Mineral Resource block model and selected blocks for processing to achieve the product specifications. The whittle optimisation resulted in a near total-extraction pit at a strip ratio of 2.4:1.

The processing plant was designed to produce up to 10 Mtpa of Lump and Fines product². Promet Engineers have estimated a capital cost of A\$370M including A\$44M of contingency. Delivered mine gate operating costs are estimated at A\$21/t. These estimates include a 40km long conveyor, although alternative conveyor lengths of 20 to 100km were also considered, depending on access to infrastructure. The level of accuracy of the estimates is +/- 25%.

The study brought together expertise from within Murchison and also from the following specialist consultants:

Discipline	Consultant
Marketing	LFJ Consulting
Mineral Resource Estimate and Mining	SRK Consulting
Metallurgical Test Work and Infrastructure	Promet Engineers
Approvals	Ecologia

Murchison Executive Chairman Paul Kopejtka said that Rocklea represented an important opportunity for the Company to expand and diversify future iron ore production.

“Rocklea gives us a good footprint in the Pilbara and is backed by the substantial expertise we have gained through the development of stage 1 of the Jack Hills mine in the mid-west,” said Mr Kopejtka.

“This scoping study has shown that Rocklea can contribute significant additional future iron production to the Company as we build Murchison’s portfolio of bulk commodity assets.

“Our next step is to assess infrastructure options for the project to identify how best to get product to market.”

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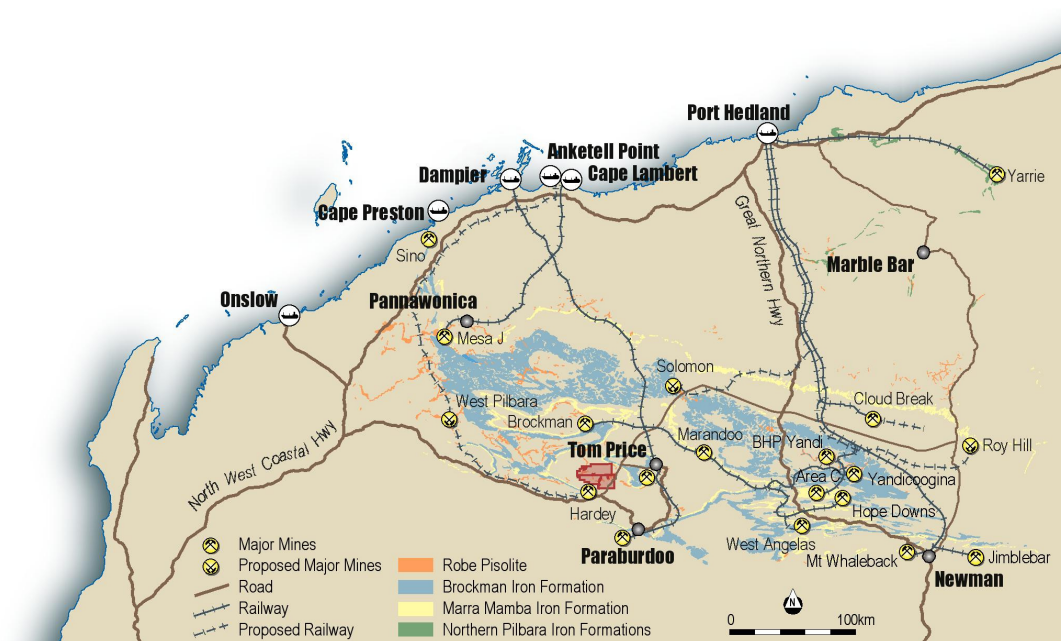
About Murchison

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

Murchison 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 (“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, 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.



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.

¹Resource tonnes are wet metric tonnes, grades are dry mass percent. Refer to ASX announcement of 30 September 2009 for full details of the Mineral Resource. ²Production tonnes and operating costs are for dry metric tonnes.