



ABN 38 078 257 799

**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY MEMORANDUM**

A PROXY FORM IS ENCLOSED

The Annual General Meeting of Shareholders of Murchison Metals Ltd

will be held at 10:00am (WST) on Wednesday 17 November 2010

at the Golden Ballroom North, Sheraton Hotel, 207 Adelaide Terrace, Perth WA 6000.

If you are unable to attend the Annual General Meeting of Shareholders you may complete and return the enclosed proxy form or vote online in accordance with the specified directions.

These papers should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional adviser without delay.

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CORPORATE DIRECTORY

Directors

Paul Kopejtka
Trevor Matthews
James McClements
SM Woo
Rod Baxter

Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Company Secretary

Chris Foley

Home Stock Exchange

ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Registered Office

Level 1
5 Ord Street
West Perth WA 6005

Telephone: +61 8 9492 2600

Facsimile: +61 8 9492 2650

Email: info@mml.net.au

Share Registry

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000

ACTION REQUIRED BY SHAREHOLDERS

Step 1: Read the Notice and Explanatory Memorandum

The Explanatory Memorandum sets out details of the Resolutions to be voted on at the Annual General Meeting. This information is important. You should read this document carefully and if necessary seek independent advice on any aspects about which you are not certain.

Step 2: Vote on the resolutions

Your vote is important. The Annual General Meeting is scheduled to be held at 10:00am (WST) on Wednesday 17 November 2010 at the Golden Ballroom North, Sheraton Hotel, 207 Adelaide Terrace, Perth WA 6000.

If you cannot attend the Annual General Meeting in person and wish to vote on some or all of the Resolutions, you can vote by completing the proxy form that accompanies this document and return it to the office of the Company's share registry:

- by hand to Level 7, 207 Kent Street, Sydney NSW; or
- by post to Murchison Metals Ltd, c/- Registries Ltd, GPO Box 3993, Sydney NSW 2001; or
- by facsimile on +61 2 9290 9655,

by 10.00 am (WST) / (1:00pm AEST) on Monday 15 November 2010.

Shareholders can also submit their proxy voting instructions online at:

registries.com.au/vote/murchisonagm2010.

Please refer to the enclosed proxy form for more information about submitting proxy voting instructions.

Questions

If you have any questions about any matter contained in the Notice of Annual General Meeting or the attached Explanatory Memorandum, please contact Chris Foley (Company Secretary) on (08) 9492 2600.

Key Dates

<i>Details</i>	<i>Dates</i>
Last date for acceptance of proxies	10:00 am (WST) on 15 November 2010
Date for determining entitlement to vote at the Annual General Meeting	10.00am (WST) on 15 November 2010
Date of Annual General Meeting	10:00 am (WST) on 17 November 2010

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Shareholders of **MURCHISON METALS LTD** will be held at the following time and place:

Time: 10:00 am (WST)

Date: 17 November 2010

Place: Golden Ballroom North
Sheraton Hotel
207 Adelaide Terrace
Perth Western Australia 6000

AGENDA

Information on each of the following resolutions is set out in the attached Explanatory Memorandum which forms part of this Notice.

1 Financial Statements and Reports

To receive and consider the annual Financial Report, together with the Directors' and Auditor's Reports, for the year ending 30 June 2010.

Note: An electronic copy of the 2010 Annual Report is available at www.mml.net.au

2 Resolution 1 - Approval of Remuneration Report (Non-binding)

To consider and, if thought fit, to pass the following advisory only ordinary resolution:

That, for the purposes of section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as disclosed in the 2010 Annual Report.

Note: The vote on this Resolution is advisory only and does not bind the Directors of the Company.

3 Resolution 2 – Re-election of Paul Kopejtka as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for all purposes, Mr Paul Kopejtka, being a director of the Company who retires in accordance with section 11.3 of the Company's Constitution and being eligible, is re-elected as a Director of the Company.

4 Resolution 3 - Approval of Employee Incentive Plan and the giving of termination benefits under the Employee Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 7.2 Exception 9(b), sections 200B and 200E of the Corporations Act and for all other purposes,:

- (a) the terms of the Murchison Metals Limited 2010 Employee Incentive Plan (**Incentive Plan**) and the issue of options (including performance rights) under the Incentive Plan; and*
- (b) the giving of termination benefits under the Incentive Plan by the Company to a person or their associates in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate of the Company,*

as detailed in the Explanatory Memorandum accompanying this Notice of Annual General Meeting, are approved.

Voting exclusion

The Company will disregard any votes cast on Resolution 3 by or on behalf of:

- a Director of the Company and an associate of a Director of the Company (except a Director who is ineligible to participate in the Incentive Plan or any associate of such Director), as required under ASX Listing Rule 7.2 Exception 9(b); and

- Shareholders who are also managerial or executive officers of the Company and are proposed participants in the Incentive Plan, and their associates, as required under Section 200E of the Corporations Act.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, Shareholders and associates of Shareholders who are also eligible to participate in the grant of options (including performance rights) under the Incentive Plan and wish to preserve the benefit of Resolution 3, should carefully consider their ability to vote on the resolution.

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting. Terms defined in the Explanatory Memorandum and used in the Notice of Annual General Meeting have the same meaning as in the Explanatory Memorandum.

Determining who holds shares for the purpose of the Annual General Meeting

It has been determined that under Corporations Regulation 7.11.37, for the purposes of this Annual General Meeting, Shares will be taken to be held by the persons who are the registered holders at 10.00 am (WST) / (1.00 pm AEDT) on 15 November 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

Each Shareholder who is entitled to attend and vote has a right to appoint a proxy, and if a Shareholder is entitled to cast two or more votes that Shareholder may appoint 2 proxies. If a Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes, each proxy may exercise one half of the Shareholder's votes. A proxy need not be a Shareholder of the Company.

In accordance with section 250BA of the Corporations Act, Shareholders are advised that the proxy forms must be received:

- by hand to Level 7, 207 Kent Street, Sydney NSW; or
- by post to Murchison Metals Ltd, c/- Registries Ltd, GPO Box 3993 Sydney, New South Wales, 2001: or
- by facsimile on +61 2 9290 9655,

by no later than 10.00 am (WST) / (1:00 pm AEDT) on Monday 15 November 2010.

Shareholders can also submit their proxy voting instructions online at registries.com.au/vote/murchisonagm2010. Please refer to the enclosed proxy form for more information about submitting proxy voting instructions.

Dated 13 October 2010

By Order of the Board



Trevor Matthews
Managing Director

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

This Explanatory Memorandum forms part of and should be read in conjunction with the Notice of Annual General Meeting.

The Directors of the Company recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact your accountant, solicitor or other professional adviser.

Agenda Item 1 - Consideration of Reports

The Corporations Act requires that the Financial Report, Directors' Report and the Auditor's Report be laid before the Annual General Meeting. In addition the Company's Constitution provides for such Reports and Statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, Shareholders will be given the opportunity to raise questions with respect to these Reports and Statements at the Meeting.

As a Shareholder, you are entitled to submit a written question to the auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's Report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than Monday 15 November 2010.

All questions must be sent to the Company and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

The Company's auditor will be present at the Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

Agenda Item 2 - Resolution 1 - Approval of Remuneration Report

Section 298 of the Corporations Act requires that the annual Directors' Report contains a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- discusses the Company's policy and the process for determining remuneration of its executive officers and employees;
- addresses the relationship between the remuneration of the Company's executive officers and the performance of the Company; and
- sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2010.

In accordance with section 250R(2) of the Corporations Act, the Company is required to put a resolution to its members that the Remuneration Report as disclosed in the 2010 Annual Report be adopted. Pursuant to section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Agenda Item 3 - Resolution 2 - Re-election of Paul Kopejtka as Director

Section 11.3 of the Company's Constitution and Listing Rule 14.4 require that one-third of the Directors (other than any Managing Director) retire from office at every Annual General Meeting. Accordingly, Mr Kopejtka retires by rotation in accordance with the Company's Constitution and the Listing Rules and, being eligible, seeks re-election.

Mr Kopejtka is a founding director of Murchison Metals. He holds a Bachelor of Engineering (Chemical) degree from Curtin University, specialising in the mineral resources sector. Mr Kopejtka has 20 years experience in the mining industry as an engineer and consultant in the areas of green and brown fields project evaluation and feasibility study management, plant design and engineering and commissioning. This experience extends to both the Australian and overseas mining industry. Throughout the 1990s he held tenure as a technical consultant with the Minproc and Bateman engineering groups before branching out in a similar capacity working with a number of major publicly listed companies.

Agenda Item 4 - Resolution 3 – Approval of Employee Incentive Plan and the giving of termination benefits under the Employee Incentive Plan

The Board believes that the future success of the Company will depend in large part on the skills and motivation of the people employed in the business.

The Company's employee incentive plan forms an important part of a comprehensive remuneration strategy for the Company's employees and is specifically aimed at driving long term performance for Shareholders, a culture of employee share ownership in the business and retention of executives, employees and staff.

The Company's existing incentive plan, the Murchison Metals Ltd Employee Share Option Plan, previously only permitted the grant of options to eligible employees. The Board has amended the terms of that incentive plan to allow for the grant of performance rights as well as options to eligible employees (together **Incentives**). In contrast to an option, a performance right does not have an exercise price and therefore allows an employee to benefit by exercising their performance rights upon satisfaction of their vesting conditions without needing to provide any cash consideration.

The inclusion of the flexibility to grant performance rights under employee incentive plans (such as the Incentive Plan) is a current trend among the Company's ASX listed industry peer group.

In recognition that the Board is now able to issue performance rights as well as options under its existing incentive plan, the Company has renamed its incentive plan as the Murchison Metals Ltd 2010 Employee Incentive Plan (**Incentive Plan**).

The Board believes it is appropriate to seek Shareholder approval for the Incentive Plan in accordance with the ASX Corporate Governance Council's Best Practice Recommendations.

Shareholder approval for the Incentive Plan is also being sought under ASX Listing Rule 7.2, Exception 9(b), as well as to approve the potential giving of termination benefits under the Incentive Plan for the purposes of sections 200B and 200E of the Corporations Act. These approvals are explained in more detail below.

A summary of the key terms of the Incentive Plan is set out below.

Eligibility Under the terms of the Incentive Plan, the Board may determine which employees of the Company and its related bodies corporate are eligible to participate.

The Incentive Plan is targeted at the Company’s senior management and employees, including Executive Directors (as determined by the Board from time to time). There are currently approximately 16 employees who will be eligible to participate in the Incentive Plan. There are no proposals to issue performance rights or options to Executive Directors under the Incentive Plan at this time (and in any event, any such issues would require prior shareholder approval to be obtained pursuant to the related party provisions of the ASX Listing Rules).

Incentives The Incentive Plan allows the Board to grant performance rights and options to eligible participants. It is likely that only performance rights will be granted under the Incentive Plan. However, the Board may choose to grant options under the Incentive Plan at any time, without further shareholder approval.

Vesting conditions The vesting terms for grants of Incentives under the Incentive Plan will be decided by the Board from time to time. Where appropriate, the Board may impose appropriate performance hurdles to encourage employees to focus on performance of the Company over the long term.

The Board considers that a vesting condition requiring the employee to satisfy a minimum term of employment of up to 2 or 3 years after the date of grant is appropriate, given the current stage of the Company’s development. The Board notes the Australian Shareholders’ Association’s preferred performance hurdle is 3 years.

Number of Incentives to be granted The number of Incentives granted under the Incentive Plan will be decided by the Board from time to time.

The Board notes that performance rights involve less risk to an employee than options, as they do not require the employee to pay any amounts to the Company upon exercise. As a result, where the Board decides to grant performance rights, an employee will typically receive fewer performance rights when compared with the number of options they would have otherwise received under the Incentive Plan or any other employee incentive plan.

Exercise Price It is likely that only performance rights will be granted under the Incentive Plan. Performance rights do not require the employee to pay any amount to the Company upon vesting or exercise.

However, as indicated above, the Board may grant options under the Incentive Plan. If it chooses to do so, the exercise price of any options granted under the Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time. Typically, any options granted would have an exercise price calculated by reference to a volume weighted average price of the Company’s shares for a period prior to the date of grant.

Cessation of employment As indicated in the table below, the Incentive Plan treats the vesting of Incentives differently depending upon the reasons for cessation of employment.

	<i>Unvested Incentives</i>	<i>Vested Incentives</i>
<i>Termination due to ill health or death</i>	<p>If the Incentive is only subject to a vesting condition relating to a minimum term of employment, then a proportion of the Incentives will vest in proportion to the period of the minimum term of employment that has been served</p> <p>If the Incentive is subject to vesting conditions other than those relating solely to a minimum term of employment, then Incentives lapse 30 days after cessation of employment unless the Board determines otherwise</p>	Incentives remain capable of exercise irrespective of cessation of employment
<i>Termination for cause</i>	Incentives automatically lapse unless the Board determines otherwise	The Board has the discretion to deem any unexercised Incentives to have lapsed
<i>Resignation by employee</i>	Incentives automatically lapse unless the Board determines otherwise	Incentives remain capable of exercise irrespective of cessation of employment
<i>Cessation for other reasons (eg redundancy)</i>	Unvested Incentives automatically vest	Incentives remain capable of exercise irrespective of cessation of employment

Takeover bid and change in control Incentives granted under the Incentive Plan automatically vest in the event of a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the company, Shareholders approve a scheme of arrangement, or in any other case where a person obtains voting power in the Company which the Board determines (acting in

good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.

The Board also has the discretion to permit the exercise of Incentives in other limited circumstances, such as where a resolution is passed approving the disposal of the Company's main undertaking.

Transferability	Incentives granted under the Incentive Plan are not usually transferable.
Dividend and voting rights	Incentives granted under the Incentive Plan do not carry any dividend or voting rights.
Adjustment for rights issues	The exercise price of Incentives granted under the Incentive Plan (if applicable) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of that Incentive.
Board discretion	Under the terms of the Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Incentive Plan, without the requirement for further Shareholder approval.
Copies of Incentive Plan	A copy of the full terms of the Incentive Plan can be obtained by either contacting the Company Secretary, on +61 8 9492 2600 or by email to info@mml.net.au.

The requirement for Shareholder approval

As indicated above, the Board is seeking Shareholder approval to the terms of its Incentive Plan in accordance with the ASX Corporate Governance Council's Best Practice Recommendations. Approval is also being sought under ASX Listing Rule 7.2, Exception 9(b) and for the purposes of sections 200B and 200E of the Corporations Act.

Shareholder approval pursuant to ASX Listing Rule 7.2, Exception 9(b)

Shareholder approval of the Incentive Plan in accordance with ASX Listing Rule 7.2, Exception 9(b) will exempt grants under the Incentive Plan from the calculation of the 15% annual limit on the grant of new securities without prior Shareholder approval, for a period of three years from the date of the passing of Resolution 3.

In the absence of approval under ASX Listing Rule 7.2, Exception 9(b), grants under the Incentive Plan can still occur but are counted as part of the 15% limit which would otherwise apply during a 12 month period.

For the purposes of obtaining approval under ASX Listing Rule 7.2, Exception 9(b), the Company confirms that:

- the total number of Incentives that have been issued and remain current under the Murchison Metals Ltd Employee Share Option Plan (that is, prior to that plan being amended to permit the grant of performance rights), all of which were issued in the form of options exercisable into Shares, is set out below:

Number	Exercise price	Grant date	Expiry date
100,000	\$3.96	11 April 2008	30 June 2011
100,000	\$2.70	11 April 2008	30 June 2011
968,000	\$2.34	22 August 2008	22 August 2011
47,000	\$0.94	25 June 2009	22 August 2011
21,000	\$0.81	25 June 2009	15 October 2011
1,562,000	\$1.56	25 June 2009	26 June 2012
100,000	\$0.68	25 June 2009	30 June 2011
2,898,000			

- a summary of the terms of the Incentive Plan is set out above.

Shareholder approval pursuant to sections 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Act) on leaving their employment with the Company or a related body corporate (the **Group**). Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits were amended in 2009 to significantly reduce the maximum termination benefits that can be given without prior shareholder approval and to expand the scope of the provisions. The new, lower termination benefits cap applies to all directors (including executive directors of the Company) and, since November 2009, to all key management personnel of the Group (that is, to all persons whose remuneration is required to be disclosed in Murchison's Remuneration Report), including those who are not directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term "benefit" has a wide operation, and will include benefits arising from the Board exercising its discretion under the rules of the Company's Incentive Plan.

The Company is seeking shareholder approval for the purposes of sections 200B and 200E of the Corporations Act to any "termination benefits" that the Group provides to a participant under the Incentive Plan, in addition to any other termination benefits that the Group may provide to that person without shareholder approval under the Corporations Act.

Specifically, shareholder approval is being sought to give the Board (or the Board's delegate) the capacity to exercise certain discretions under the Incentive Plan, including the discretion to determine to vest some or all of the unvested performance rights or options of any participant who is affected by the new termination benefits laws when they leave employment with the Group. Approval is being sought in respect of any current or future participant who holds:

- a managerial or executive office in the Group at the time of their leaving or at any time in the three years prior to their leaving; and
- performance rights or options issued under the Incentive Plan at the time of their leaving.

Non-executive directors are not entitled to participate in the Incentive Plan and so this approval will not apply to them.

The Company is seeking this approval to assist the Group to meet its existing obligations to employees of the Group who were issued with Incentives under the Incentive Plan prior to the reduction of the permissible maximum termination benefits in 2009. Without Shareholders approving the provision of these termination benefits, the Company may not be able to comply with its contractual obligations in regards to the vesting of those Incentives upon cessation of managerial or executive office in the Group.

The Company is also seeking this approval to provide the Group with the flexibility to continue to remunerate employees fairly and responsibly in the future, and in a manner that appropriately drives long term performance for Shareholders. The Board believes that it is appropriate that there is flexibility to deal with the vesting of Incentives issued under the Incentive Plan, as cessation of managerial or executive office can occur for a variety of reasons. In some circumstances, it may not be appropriate for the value of any Incentives that vest upon cessation of office to be included in the relevant participant's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

If shareholder approval is obtained and the Board exercises its discretion to vest some or all of an affected participant's unvested options (or to provide that the participant's options do not lapse but will continue and be vested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participant's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

Disclosures pursuant to section 200E of the Corporations Act

Section 200E requires the following information to be provided to shareholders in approving a termination benefit.

(a) Details of the termination benefits

The Incentive Plan contains provisions setting out the treatment of unvested Incentives in situations where an employee leaves the Company (in certain circumstances). These provisions, and the discretion of the Board to allow unvested Incentives to vest, is outlined in the summary of the Incentive Plan above. As noted above, the exercise of these discretions by the Board will constitute a “benefit” for the purposes of the Corporation Act’s termination benefits provisions.

(b) Value of the termination benefits

The value of the termination benefits that the Board may give under the Incentive Plan cannot be determined in advance. This is because various matters will or are likely to affect that value.

The value of a particular benefit resulting from the exercise of the Board’s discretion under the Incentive Plan will depend on factors such as the Company’s share price at the time of vesting and the number of Incentives that the Board decides to vest.

Some of the factors that may affect the value of the termination benefits are as follows:

- the participant’s length of service and the portion of any relevant vesting conditions that have been satisfied at the time they leave employment;
- the participant’s total fixed remuneration at the time grants are made under the Incentive Plan and at the time they leave employment;
- the number of unvested Incentives that the participant holds at the time they leave employment.

Directors’ Recommendation and Open Proxies

As the Board considers that the Incentive Plan remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of senior executives and employees of the Company, the Board recommends that Shareholders vote in favour of Resolution 3. The Chairman intends to vote open proxies in favour of Resolution 3.

Additional Information

Shareholders should contact the Company Secretary on +61 8 9492 2600 if they have any queries in respect of the matters set out in these documents.

Glossary

\$ means Australian dollars, unless otherwise stated.

AEDT means Australian Eastern Daylight Time.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in sections 10 to 17 of the Corporations Act 2001 (Cth).

ASX means ASX Limited.

Board means the Company's Board of Directors.

Company or **Murchison** means Murchison Metals Ltd (ABN 38 078 257 799).

Corporations Act means the Corporations Act 2001 (Commonwealth).

Director means a director of Murchison from time to time.

Incentive means a Performance Right or an Option.

Incentive Plan means the Murchison Metals Limited 2010 Employee Incentive Plan.

Listing Rules means the Official Listing Rules of ASX.

Meeting or **General Meeting** means the annual general meeting convened by the Notice.

Notice or **Notice of Meeting** means the notice of meeting which forms part of this Explanatory Memorandum.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share without payment of any exercise price.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Shareholder means a holder of Shares.

Share means a fully paid ordinary share in Murchison.

WST means Western Standard Time, Australia

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760 (outside Australia)
+61 2 9290 9600**FACSIMILE**
+61 2 9290 9655**ALL CORRESPONDENCE TO:**
Registries Limited
GPO Box 3993
Sydney NSW 2001
Australia

Name and Address

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Security holders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE
10.00am(WST) MONDAY 15th NOVEMBER 2010

TO VOTE ONLINE

Reference Number: <HIN/SRN>**STEP 1 : VISIT** www.registries.com.au/vote/murchisonagm2010**STEP 2: Enter your holding/investment type****STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from Registries Limited.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Registries Limited.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10.00 (WST) Wednesday, 17 November 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Registries Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.registries.com.au/vote/murchisonagm2010
or turnover to complete the Form →

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

<BARCODE>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Murchison Metals Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Murchison Metals Limited to be held at the Golden Ballroom North, Sheraton Hotel, 207 Adelaide Terrace, Perth WA 6000 on Wednesday, 17 November 2010 at 10.00am (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Resolution 1	Approval of Remuneration Report (Non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Paul Kopejtka as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Employee Incentive Plan and the giving of termination benefits under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / / 2010