

ASX ANNOUNCEMENT

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EPA RECOMMENDS APPROVAL FOR JACK HILLS EXPANSION PROJECT

Murchison Metals Limited ("Murchison") advises that the Environmental Protection Authority of Western Australia ("EPA") has recommended approval of the proposed Jack Hills Expansion Project ("JHEP") at the Jack Hills iron ore mine in the State's mid-west region.

The EPA determined that the proposed mine expansion to increase production at the Jack Hills mine, 380km north east of Geraldton, from the current 1.8 million tonnes per annum ("Mtpa") to over 20 Mtpa of high quality iron ore concentrates, could be managed to meet the EPA's objectives, subject to various conditions.

The EPA's recommendation follows the determination in April 2011 by the Commonwealth Department of Sustainability, Environment, Water, Population and Communities ("SEWPaC") that the JHEP is "not a controlled action" under the Environment Protection and Biodiversity Conservation Act ("EPBC Act"), and that further assessment is not required under the EPBC Act.

The EPA's recommendation will now be subject to a 14 day appeals period before being considered by the WA Minister for Environment.

Murchison holds a 50% interest in Crosslands Resources Ltd ("Crosslands"), the owner and developer of the Jack Hills project. The other 50% of Crosslands is owned by Mitsubishi Development Pty Ltd, a subsidiary of Mitsubishi Corporation, Japan's largest general trading company.

Full details of the EPA's recommendation on the JHEP can be found at www.epa.wa.gov.au

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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 and OPR, Murchison owns the Rocklea iron ore project located in the Pilbara region of Western Australia.