

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as possible. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Murchison Metals Limited (Murchison)

ABN

38 078 257 799

We (the entity) give ASX the following information

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares Unlisted options exercisable into fully paid ordinary shares in the capital of the Company																											
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	5,082,969 Fully paid ordinary shares 2,860,279 Unlisted options																											
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares issued on the same terms and conditions as existing quoted ordinary shares. Unlisted options have been granted on the following terms: <table border="1" data-bbox="727 1541 1453 1899"> <thead> <tr> <th data-bbox="826 1541 858 1568">No.</th> <th data-bbox="1018 1541 1158 1568">Exercise Price</th> <th data-bbox="1209 1541 1321 1568">Expiry date</th> </tr> <tr> <th data-bbox="826 1585 836 1612">#</th> <th data-bbox="1018 1585 1027 1612">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td data-bbox="826 1630 900 1657">752,291</td> <td data-bbox="1018 1630 1059 1657">1.16</td> <td data-bbox="1209 1630 1337 1657">12 July 2014</td> </tr> <tr> <td data-bbox="826 1675 900 1702">280,217</td> <td data-bbox="1018 1675 1059 1702">1.04</td> <td data-bbox="1209 1675 1337 1702">12 July 2014</td> </tr> <tr> <td data-bbox="826 1720 900 1747">270,232</td> <td data-bbox="1018 1720 1059 1747">1.08</td> <td data-bbox="1209 1720 1337 1747">12 July 2014</td> </tr> <tr> <td data-bbox="826 1765 900 1792">518,829</td> <td data-bbox="1018 1765 1059 1792">0.67</td> <td data-bbox="1209 1765 1337 1792">12 July 2014</td> </tr> <tr> <td data-bbox="826 1809 900 1836">851,353</td> <td data-bbox="1018 1809 1059 1836">0.66</td> <td data-bbox="1209 1809 1378 1836">12 October 2014</td> </tr> <tr> <td data-bbox="826 1854 900 1881">187,357</td> <td data-bbox="1018 1854 1059 1881">0.58</td> <td data-bbox="1209 1854 1378 1881">12 October 2014</td> </tr> <tr> <td data-bbox="727 1908 783 1935">Total</td> <td data-bbox="804 1908 900 1935">2,860,279</td> <td></td> </tr> </tbody> </table>	No.	Exercise Price	Expiry date	#	\$		752,291	1.16	12 July 2014	280,217	1.04	12 July 2014	270,232	1.08	12 July 2014	518,829	0.67	12 July 2014	851,353	0.66	12 October 2014	187,357	0.58	12 October 2014	Total	2,860,279	
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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully paid ordinary shares rank equally with the existing quoted ordinary shares.</p> <p>The shares issued on exercise of any or all of the unlisted options will rank equally with existing quoted ordinary shares in the capital of the Company.</p>				
<p>5 Issue price or consideration</p>	<p>Fully paid ordinary shares issued as payment of the commitment fee and interest fee for the period 12 July 2011 – 11 October 2011 under the US\$100m bridge finance facility entered into between the Company and Resource Capital Fund V L.P (RCF Facility).</p> <p>Unlisted options issued as payment of the utilisation fee for the period 12 July 2011 – 11 October 2011 under the RCF Facility.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued in accordance with the Company's obligations under the RCF Facility.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 October 2011</p>				
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="724 1294 1082 1355">Number</th> <th data-bbox="1082 1294 1436 1355">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="724 1355 1082 1411" style="text-align: center;">442,437,524</td> <td data-bbox="1082 1355 1436 1411" style="text-align: center;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	442,437,524	Fully paid ordinary shares
Number	+Class				
442,437,524	Fully paid ordinary shares				

9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
100,000	68c Options June 2012
1,554,200	156c Options June 2012
2,250,000	200c Options November 2012
712,000	Zero exercise price options December 2013
125,000	126c Options December 2013
4,200,000	173c Options March 2014
1,504,582	116c Options July 2014
476,369	104c Options July 2014
450,387	108c Options July 2014
524,594	67c Options July 2014
690,000	Zero exercise price options September 2014
851,353	66c Options October 2014
187,357	58c Options October 2014
60,000	Zero exercise price options December 2014
4,587,000	Zero exercise price options September 2016

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable.

Part 2 – Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20	Names of any underwriters	
21	Amount of any underwriting fees or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

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32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 – Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities

(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

<p>38 Number of securities for which +quotation is sought</p>						
<p>39 Class of +securities for which quotation is sought</p>						
<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 						
<p>41 Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)</p>						
<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="702 1317 1082 1384">Number</th> <th data-bbox="1082 1317 1458 1384">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="702 1384 1082 1599"></td> <td data-bbox="1082 1384 1458 1599"></td> </tr> </tbody> </table>	Number	+Class			
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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 21 October 2011

Print name: Christopher William Foley

Ref: 00843080

21 October 2011

The Manager
Company Notices Section
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

SECTION 708A NOTICE

I refer to ASX Appendix 3B lodged by Murchison Metals Ltd ("Murchison") dated 21 October 2011 noting the issue of 5,082,969 fully paid ordinary shares ("the Shares").

In relation to the issue of the Shares, Murchison makes the following statements under section 708A of the Act:

- (a) The shares were issued without disclosure to investors under Part 6D.2 of the Act.
- (b) This notice is being given under paragraph 5(e) of section 708A of the Act.
- (c) As at the date of this notice, Murchison has complied with the provisions of Chapter 2M (to the extent that that Chapter applies to it) and section 674 of the Act.
- (d) There is no information which is required to be disclosed under section 708A(6)(e) of the Act.

Yours faithfully



CW Foley
Company Secretary
Murchison Metals Ltd