

ASX ANNOUNCEMENT

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OAKAJEE RAIL PROJECT – FEDERAL ENVIRONMENTAL ASSESSMENT

Murchison Metals Limited (“Murchison”) advises that the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (“SEWPaC”) has granted approval under the Environment Protection and Biodiversity Conservation Act for Oakajee Port & Rail’s (“OPR”) proposed rail development.

SEWPaC’s determination represents a significant step in the approvals process for the Oakajee infrastructure project, with a determination on Commonwealth approval for the project’s port terrestrial development anticipated for later this year.

As reported previously, the Environmental Protection Authority of Western Australia has recommended approval under Part IV of the State Environmental Protection Act for both the port and rail developments. Formal approval by the State Environment Minister for the Oakajee infrastructure project is anticipated in the September Quarter 2011.

The details and conditions of SEWPaC’s approval are available at www.environment.gov.au.

Murchison and Mitsubishi Development Pty Ltd each hold a 50% economic interest in OPR.

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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.