

ASX ANNOUNCEMENT

ASX Code: MMX

16 March 2011

RESUMPTION OF JACK HILLS OPERATIONS

Murchison Metals Limited (Murchison) is pleased to advise that operations have resumed at the Jack Hills Stage 1 iron ore project in Western Australia, following their temporary suspension on 22 February 2011 due to regional flooding and road closures.

Crosslands Resources Ltd, which owns and operates the Jack Hills project, has advised Murchison that mining resumed with a single shift on Sunday 13 March, with a double shift scheduled to resume by the end of this week.

Crosslands has also advised that the Cue-Jack Hills road re-opened today, and that ore haulage operations are scheduled to recommence tomorrow.

The temporary suspension of operations resulted in the deferral of two export shipments from the Geraldton port that had been scheduled to occur in March, in line with previously stated expectations.

Murchison owns 50% of Crosslands. The other 50% interest is owned by Mitsubishi Development Pty Ltd.

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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.