

ASX ANNOUNCEMENT

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CLAIM BY PREMAR CAPITAL LTD

In May 2012 Murchison Metals Ltd (Murchison) announced that it had received a claim from Premar Capital Ltd (Premar) for services Premar claimed to have provided pursuant to the terms of a mandate letter executed in March 2005.

Premar had claimed an amount of \$6.8m for commissions on sales of iron ore from the Jack Hills mine. Premar had also foreshadowed a claim for an amount of \$9.17m in connection with the 2007 transaction between Murchison and Mitsubishi Development Pty Ltd but subsequently advised it would not proceed with this claim.

Murchison advises that Murchison and Premar have executed a Deed of Settlement pursuant to which Murchison will pay Premar \$1.6m in full and final satisfaction of all claims Premar or its related entities may have against Murchison.

The Board now intends to seek shareholder approval in the first quarter of 2013 to make a second capital return of the majority of Murchison's remaining available cash. Based on current projected operating costs, closure costs and interest rates, Murchison expects the second capital return to be in the range of 3.5 to 4 cents per ordinary share. Thereafter, the Board expects to seek shareholder approval to wind the Company up by way of a members voluntary liquidation.

For further information, please contact:

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