



Level 11, 139 Macquarie Street,
Sydney, NSW, 2000
ABN: 38 078 257 799

ASX ANNOUNCEMENT

ASX Code: MMX

20 December 2013

Murchison Metals Limited (ASX: MMX)

UNMARKETABLE PARCEL SHARE SALE FACILITY

Murchison Metals Limited advises that it is implementing an unmarketable parcel share sale facility (Facility) which provides eligible shareholders with the opportunity to sell their shareholding without incurring brokerage or handling costs.

The Facility is available to shareholders who at 7:00pm (Sydney time) on 18 December 2013 (Record Date) were holders of shares with an aggregate market value of less than \$500 (an unmarketable parcel).

A copy of the correspondence being sent to eligible shareholders is attached.

-ENDS-

For further information, please contact:

Mark Licciardo
Company Secretary
Ph +61 3 8689 9997



Level 11, 139 Macquarie Street,
Sydney, NSW, 2000

Dear Shareholder,

Notice of intention to sell unmarketable parcels of shares

Murchison Metals Limited (**Murchison** or **Company**) is pleased to offer eligible shareholders the opportunity to sell their small shareholding without incurring any brokerage or handling costs.

This offer applies to shareholders who at 7:00pm (Sydney time) on 18 December 2013 (**record date**) were holders of ordinary shares in Murchison (**shares**) valued at less than \$500 (**unmarketable parcel**) based on a price of \$0.043 per share, being the closing price of shares on the Australian Stock Exchange (**ASX**) on the record date.

Murchison is offering this facility as it provides the following benefits:

- Holders of an unmarketable parcel have the opportunity to sell their shares without incurring a brokerage or handling cost which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The expense and administration involved in maintaining shareholders with unmarketable parcels is reduced. The Company has approximately 6,100 shareholders of which approximately 5,146 hold less than a marketable parcel of shares that in aggregate represent approximately 5.42% of all issued shares.

Our records show that you are the holder of an unmarketable parcel as at the record date and accordingly your shareholding is eligible for this share sale facility. You may choose to **sell your holding** or **retain your existing holding**.

The options are described below:

1. Sell your holding

If you wish to sell your Murchison shares without incurring brokerage or handling costs, **you do not need to take any action**. Murchison is authorised under Article 8 of its Constitution to sell your shares following the closing date if the value of your shares remains at less than \$500 at the closing date, based on the closing price of Murchison shares on that day. Your shares will be pooled with other shares under this facility and sold on the ASX as soon as practicable after the closing date of 12 February 2014 (**closing date**).

Murchison has appointed a broker to act as an execution-only broker in selling shares on ASX under this facility. The price you receive for each share sold through this facility will be the volume weighted average price received for the sale of all shares sold under this facility (**sale price**). All participants who have their shares sold will receive the same sale price per share.

Sale proceeds will be paid to you by AUD cheque as soon as practicable following the sale of your shares. Payment is expected to be remitted within 15 business days of the closing date (**expected payment date**). A transaction confirmation statement will be sent to you confirming the number of your shares sold and the price and total sale proceeds you have received.



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If your shares are held in a CHESS holding, Murchison may, after the closing date initiate a holding adjustment to move your shares to the issuer sponsored subregister for the purpose of this facility.

Any tax consequences arising from the sale of your shares will be your responsibility.

If the market value of your shares increases between the record date and closing date, due to the increase in the Murchison share price, so that at the closing date the value of your shares previously identified by Murchison as being an unmarketable parcel is no longer less than \$500 (i.e. their value becomes equal to or greater than \$500), Murchison will not sell your shares.

2. Retain your existing holding

If you wish to retain your existing holding then you must either:

- Correctly complete and return the enclosed Share Retention Form so that it is received by Link Market Services Limited, by 5:00pm (Sydney time) on 12 February 2014, being the closing date of this facility;
- If you hold shares in multiple holdings, arrange to have these holdings merged into one holding with a value of at least \$500 so that this is reflected on Murchison share register at 7:00pm (Sydney time) on the closing date; or
- Make your own arrangements outside this facility to purchase additional shares so that the value of your registered holding is at least \$500 on the closing date.

If you successfully take one of these steps, Murchison will not be entitled to sell your shares.

Important Information

Murchison reserves the right to extend the dates referred to in this letter by notice to the ASX.

Murchison is not bound to sell any or all of the shares that may be available for it to sell under this facility. None of Murchison, the broker appointed to sell the shares, nor any other person involved in the facility shall be liable for failure to sell the shares at a particular price. The price of Murchison shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "MMX".

Murchison does not make any recommendation or provide any advice to you regarding whether to sell your holding under this facility or retain your existing holding.

If you are in doubt about what to do, you should consult your legal, financial or taxation advisor.

For further information, please contact Link Market Services Limited on +61 1300 306 230 (within Australia) between the hours of 8.30am and 5.00pm Sydney time Monday to Friday.

Yours faithfully,

MURCHISON METALS LIMITED

A handwritten signature in black ink, appearing to read 'G Radzynski'.

Gabriel Radzynski
Director