



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

ASX ANNOUNCEMENT

ASX Code: MMX

31 January 2013

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2012

Murchison Metals Ltd ("Murchison" or the "Company") is an Australian ASX Listed Company

During the quarter, the Company completed previously announced asset divestments and confirmed a return of capital to shareholders.

In addition, at the Annual General Meeting held on 29 November 2012 former Directors Mr Ken Scott-Mackenzie and Mr Greg Martin stood down from the Board and Mr Gabriel Radzynski and Mr Paul Jenson were appointed as Non Executive Directors.

Following the change in directorate, the Board of Murchison has undertaken a review of potential capital management options for the Company and intends to put forward for shareholder approval an off-market equal access share buy-back. The Board anticipates the price at which shares will be bought back will be in the range of 4.0 cents to 4.2 cents per share.

ACTIVITIES REPORT

As announced during the quarter the Board of Murchison has taken the decision to write down the value of its stake in Cashmere Iron Ltd from its original cost of \$2 million to nil.

Pursuant to ASX Listing rule 5.1.1 and 5.1.2 there has been no production or development activity or exploration activity undertaken during the period.

For further information, please contact:

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ABN: 38 078 257 799

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

Murchison Metals Limited

ABN

38 078 257 799

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(5,072)	(7,051)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	284	6,956
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(4,788)	(95)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects/exploration assets	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (proceeds on tenement disposal)	-	3,200
	Net investing cash flows	-	3,200
1.13	Total operating and investing cash flows (carried forward)	(4,788)	3,105

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,788)	3,105
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	91
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Distribution of Capital to Shareholders	-	(207,197)
	Net financing cash flows	-	(207,106)
	Net increase (decrease) in cash held	(4,788)	(204,001)
1.20	Cash at beginning of quarter/year to date	26,979	226,192
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	22,191	22,191

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	153
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments for services received by the company from Executive and Non-Executive Directors	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	(250)
Total cash outflows	(250)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	910	526
5.2 Deposits at call	21,281	26,453
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	22,191	26,979

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E45/4003 E45/4006	Registered Holder Registered Holder	100% 100%	0% 0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	450,427,346	450,427,346		
7.4 Changes during quarter (a) Increases through issues: - upon exercise of options (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	70,000 125,000 4,200,000 1,855,651 607,137 576,495 766,714 1,418,922 425,811		Exercise price 0c 80c 127c 70c 58c 62c 21c 20c 12c	Expiry date Dec 13 Dec 13 Mar 14 Jul 14 Jul 14 Jul 14 Jul 14 Oct 14 Oct 14
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / Cancelled during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 January 2013

Print name: Mark Licciardo

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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