

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as possible. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

**Murchison Metals Limited (Murchison)**

ABN

**38 078 257 799**

We (the entity) give ASX the following information

#### Part 1 – All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1 +Class of +securities issued or to be issued

Fully paid ordinary shares.

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

500,000

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares issued on the same terms and conditions as existing quoted ordinary shares.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes																							
<p>5 Issue price or consideration</p>	Resolution of a dispute concerning an allocation of shares in 2004																							
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Resolution of a dispute concerning an allocation of shares in 2004																							
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	15 October 2010																							
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="724 1106 1082 1151">Number</th> <th data-bbox="1086 1106 1449 1151">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="724 1158 1082 1196">435,884,268</td> <td data-bbox="1086 1158 1449 1196">Fully paid ordinary shares</td> </tr> </tbody> </table>		Number	+Class	435,884,268	Fully paid ordinary shares																		
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<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="724 1263 1082 1308">Number</th> <th data-bbox="1086 1263 1449 1308">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="724 1314 1082 1352">100,000</td> <td data-bbox="1086 1314 1449 1352">519c Options Nov 2010</td> </tr> <tr> <td data-bbox="724 1359 1082 1397">100,000</td> <td data-bbox="1086 1359 1449 1397">270c Options Jun 2011</td> </tr> <tr> <td data-bbox="724 1404 1082 1442">100,000</td> <td data-bbox="1086 1404 1449 1442">396c Options Jun 2011</td> </tr> <tr> <td data-bbox="724 1449 1082 1487">47,000</td> <td data-bbox="1086 1449 1449 1487">94c Options Aug 2011</td> </tr> <tr> <td data-bbox="724 1494 1082 1532">968,000</td> <td data-bbox="1086 1494 1449 1532">234c Options Aug 2011</td> </tr> <tr> <td data-bbox="724 1538 1082 1576">21,000</td> <td data-bbox="1086 1538 1449 1576">81c Options Oct 2011</td> </tr> <tr> <td data-bbox="724 1583 1082 1621">4,500,000</td> <td data-bbox="1086 1583 1449 1621">200c Options Nov 2011</td> </tr> <tr> <td data-bbox="724 1628 1082 1666">100,000</td> <td data-bbox="1086 1628 1449 1666">68c Options Jun 2012</td> </tr> <tr> <td data-bbox="724 1673 1082 1711">1,562,000</td> <td data-bbox="1086 1673 1449 1711">156c Options Jun 2012</td> </tr> <tr> <td data-bbox="724 1718 1082 1756">4,500,000</td> <td data-bbox="1086 1718 1449 1756">200c Options Nov 2012</td> </tr> </tbody> </table>		Number	+Class	100,000	519c Options Nov 2010	100,000	270c Options Jun 2011	100,000	396c Options Jun 2011	47,000	94c Options Aug 2011	968,000	234c Options Aug 2011	21,000	81c Options Oct 2011	4,500,000	200c Options Nov 2011	100,000	68c Options Jun 2012	1,562,000	156c Options Jun 2012	4,500,000	200c Options Nov 2012
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable.

**Part 2 – Bonus issue or pro rata issue**

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20	Names of any underwriters	
21	Amount of any underwriting fees or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

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32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

### Part 3 – Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities

*(tick one)*

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 – 1,000
- 1,001 – 5,000
- 5,001 – 10,000
- 10,001 – 100,000
- 100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

<p>38 Number of securities for which +quotation is sought</p>					
<p>39 Class of +securities for which quotation is sought</p>					
<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
<p>41 Reason for request for quotation now <small>Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)</small></p>					
<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td style="height: 80px;"></td> </tr> </tbody> </table>	Number	+Class		
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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....  ..... Date: 15 October 2010

Print name: C. W. Foley .....  
== == == == ==

15 October 2010

Australian Stock Exchange Limited  
Level 8, 2 The Esplanade  
PERTH WA 6000

Dear Sir/Madam

**Section 708A Notice**

I refer to ASX Appendix 3B lodged by Murchison Metals Ltd ("Murchison") dated 15 October 2010 noting the issue of 500,000 fully paid ordinary shares ("the Shares").

In relation to the issue of the Shares, Murchison makes the following statements under section 708A of the Act:

- (a) The shares were issued without disclosure to investors under Part 6D.2 of the Act.
- (b) This notice is being given under paragraph 5(e) of section 708A of the Act.
- (c) As at the date of this notice, Murchison has complied with the provisions of Chapter 2M (to the extent that that Chapter applies to it) and section 674 of the Act.
- (d) There is no information which is required to be disclosed under section 708A(6)(e) of the Act.

Yours faithfully



CW Foley  
*Company Secretary*  
**Murchison Metals Ltd**

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