

Our Reference: 00809483.docx

8 July 2009

The Manager  
Company Notices Section  
Australian Stock Exchange Limited  
Level 8, 2 The Esplanade  
PERTH WA 6000


Dear Sir

### **APPENDIX 3B**

I refer to the attached ASX Appendix 3B dated 8 July 2009 noting the issue of 1,878,400 options ("Options") to employees of Murchison.

The Options are issued pursuant to an Employee Share Option Plan ("ESOP") which is part of the Company's remuneration and retention strategy.

Yours faithfully,



Chris Foley  
*Company Secretary / Legal Counsel*  
**Murchison Metals Ltd**

## 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

Unlisted options exercisable into fully paid shares.

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

1,878,400

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)

Options issued to employees under the Employee Share Option Plan exercisable on achievement of specified retention milestones.

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### New issue announcement

4	<p>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>	<p>No. The shares issued on exercise of any or all of the unlisted options will rank equally with existing quoted ordinary shares.</p>	
5	Issue price or consideration	Nil	
6	<p>Purpose of the price</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Issued to employees under Employee Share Option Plan as part of remuneration, retention and reward strategy for completion of specified retention milestones.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	25 June 2009	1,691,400
		29 June 2009	187,000
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		413,017,268	Fully paid ordinary shares
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		471,000	5c Options Nov 2009
		3,751,000	20c Options Nov 2009
		250,000	125c Options Nov 2009
		3,750,000	50c Options Dec 2009
		4,500,000	100c Options Dec 2009
		6,000,000	125c Options Dec 2009
		250,000	574c Options Jun 2010
		100,000	519c Options Nov 2010
		100,000	270c Options Jun 2011
		100,000	396c Options Jun 2011
		47,000	94c Options Aug 2011
		1,014,000	234c Options Aug 2011
		17,000	127c Options Sept 2011
		21,000	81c Options Oct 2011
		2,000	61c Options Feb 2012
		100,000	68c Options Jun 2012
		1,691,400	156c Options Jun 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?</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>					
<p>41 Reason for request for quotation now</p> <p><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;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 80px;"></td> <td style="height: 80px;"></td> </tr> </table>	Number	+Class		
Number	+Class				

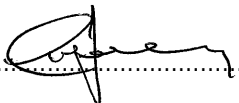
Quotation agreement

- 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:

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Date: 8 July 2009

Print name:

Christopher William Foley .....

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