EPA RECOMMENDS APPROVAL FOR OAKAJEE PORT AND RAIL PROJECTS

Murchison Metals Limited (Murchison) is pleased to advise that the Environmental Protection Authority of Western Australia (EPA) has recommended approval of the proposed Oakajee Port & Rail (OPR) terrestrial iron ore port development and associated rail infrastructure in the State’s mid-west region.

The EPA determined that development of the proposed 45 million tonnes per annum Oakajee port, 24 kilometres north of Geraldton, and associated heavy-haulage railway extending 570km north-east to the Jack Hills iron ore project could be managed to meet the EPA’s objectives.

The recommendation covers all land-based iron ore handling, storage and ancillary infrastructure at the proposed Oakajee port, as well as all associated rail infrastructure. State environmental approval of the marine components of the Oakajee deepwater port was granted in February 1998.

The EPA’s recommendation will now be considered by the WA Minister for Environment. Murchison expects receipt of final State environmental approvals by mid 2011.

Murchison holds a 50% economic interest in OPR, the owner and developer of both the port and rail projects. Murchison also holds a 50 per cent in interest in Crosslands Resources Ltd, the owner of the Jack Hills project which is expected to become the single biggest user of OPR’s infrastructure services.

Murchison Executive Chairman Paul Kopejtka welcomed the EPA’s recommendation as a key step toward development of the Oakajee port and rail infrastructure project.

“The EPA’s favourable recommendation marks another key milestone in the development of vital export infrastructure needed to establish the mid-west as a world-class iron ore exporting region,” he said.

“With bankable feasibility studies for OPR’s port and rail projects on track for completion in the June Quarter 2011, we look forward to developing these assets in the best interests of everyone involved, including the mid-west miners, the people and Government of Western Australia and our shareholders.”

First exports through the Oakajee port are anticipated in late 2014/ early 2015.

The EPA’s recommendation is subject to several conditions relating to the management of noise, dust, native vegetation and habitat. Full details of the EPA’s recommendation can be found at www.epa.wa.gov.au.

Murchison notes the EPA’s commendation of the “high quality environmental information” provided by OPR.
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About Murchison

Murchison Metals Limited ("Murchison") is an Australian ASX listed company. Murchison is included in the S&P/ASX 200 Index.

Murchison is a 50% shareholder in Crosslands Resources Ltd ("Crosslands") which is the owner of the Jack Hills iron ore project located in the mid-west region of Western Australia. The remaining 50% of Crosslands is held by Mitsubishi Development Pty Ltd ("Mitsubishi"), a subsidiary of Mitsubishi Corporation, Japan’s largest general trading company.

Murchison also has a 50% economic interest in an independent infrastructure business, Oakajee Port and Rail ("OPR"). OPR was established to construct new port and rail infrastructure to provide logistics services to miners (including Crosslands) and other potential customers in the mid-west region of WA. The remaining 50% economic interest in OPR is held by Mitsubishi.

In addition to its investments in Crosslands and OPR, Murchison owns the Rocklea iron ore project located in the Pilbara region of Western Australia.