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## Murchison Metals update on Rocklea iron ore project

*Thursday, 01 Oct, 2009*

Murchison Metals Limited announced an updated Mineral Resource estimate for its 100% owned Rocklea Iron Ore Project in Western Australia.

Since announcing a maiden resource in February 2009, Murchison has conducted a comprehensive infill drilling program with a focus on the eastern part of the project and a higher grade zone identified as part of previous drilling campaigns.

The latest estimate confirms Murchison view that Rocklea is developing as an attractive Channel Iron Deposit with the potential for a proportion of the resource to be suitable for direct shipping. The deposit has a maximum total depth of 43 meters, demonstrates consistent widths and is close to existing and planned rail infrastructure, located only 35 kilometers from the mining town of Tom.

Recent large diameter diamond drilling has enabled the measurement of more than 300 in-situ bulk density values from representative locations across the deposit. This has led to a revision of the wet density assumed in the estimate from 2.6 to 2.4 tonnes cubic meters resulting in a marginally lower tonnage than that reported as part of the initial resource estimate in February 2009.

SRK Consultants was engaged by Murchison to complete the grade estimation. SRK has used a recoverable resource estimation method known as uniform conditioning. When compared to the initial resource estimate of February 2009 significantly higher grades have been estimated.

Mr Paul Kopejtko Executive Chairman of Murchison said the Company was pleased with the speed with which the Rocklea Project has progressed. He said that "This highlights the ability of Murchison to develop and bring on line projects in a timely and efficient manner, underpinned by strict investment criteria and strong financial disciplines."

Mr Paul Kopejtko said "A prime example of this was the accelerated development of the Jack Hills Stage 1 project which came into production in early 2007 with the rapid development program delivering strong upfront cash flows for Murchison. He said that "In the last 12 months, Murchison has taken the Rocklea project from Greenfield's exploration to a significant Indicated Mineral Resource."

He added that "Rocklea is shaping up to be an attractive CID deposit, with shallow geometry that may flow on to low stripping ratios which could have positive implications for future mining costs."

The scoping study is due for completion at the end of 2009.

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