



Toll Holdings Limited
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The Manager
Australian Stock Exchange
Company Announcement Office
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Sydney NSW 2000

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Dear Sir

MEDIA RELEASE – MURCHISON METALS

Please find attached a media release for immediate release to the market.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.

“Coming shortly after Premier Alan Carpenter’s confirmation that Oakajee was the preferred site for a new privately funded deep water port in the Mid West, this is a significant step forward for the Mid West region, the state of Western Australia and Murchison Metals’ Jack Hills Project.”

One of the immediate priorities will be to liaise with the WA Government’s steering committee appointed to look at the design, timing of construction and operational management of the proposed new deep water port and proposed new northern rail corridor to Oakajee.

As Mr Kopejtka stated, “Mid West companies are currently experiencing unprecedented and sustained demand for their iron ore products and the consortium looks forward to working with the WA Government collaboratively to deliver this major infrastructure project on an expedited time frame to suit all end users.”

Murchison Metals recently completed a successful pre-feasibility study into Stage 2 of the Jack Hills iron ore project. The study demonstrated that Murchison Metals’ plans to expand mining at Jack Hills up to 25 million tonnes per annum of direct shipping ore are economically robust.

The Jack Hills project alongside the projects of the other Mid West iron ore companies have the potential to elevate the Mid West region to become the next major Australian iron ore province focused on producing high quality iron ore for direct shipping to North Asia. Once developed, the proposed new rail and port infrastructure will facilitate the continued growth of the Mid West iron ore industry for decades to come.

Assuming a successful outcome to the feasibility study, the consortium intends to establish new infrastructure that will be extensively utilised by Murchison Metals in Stage 2 of its Jack Hills Project. The infrastructure would also have the potential to be used by not only other Mid West iron ore companies but by companies from other industries who would in time further underwrite the business case for expanded port and rail services.

Preliminary estimates developed as part of the Jack Hills Stage 2 pre-feasibility study estimate the total infrastructure cost for the rail and port facilities to be approximately \$1.6 billion including EPCM and contingency costs.

A map of the location of the proposed mid-west infrastructure is attached.

For further information, please contact:

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About Murchison Metals

Murchison Metals is an ASX-listed iron ore company that holds eight tenements prospective for iron ore in the mid-west region of Western Australia. The most strategically attractive of these prospects is the Jack Hills Project located 380 kilometres north-east of the Port of Geraldton.

The Jack Hills Project contains a number of deposits of high grade hematite ore. Murchison Metals' high grade hematite ore can be mined and shipped directly to customers without further processing or concentration, which significantly improves the economics of the project and distinguishes Murchison Metals from many other iron ore producers.

Murchison Metals proposes to develop the Jack Hills Project in two stages. In Stage 1, Murchison Metals proposes to produce 1.5 million tonnes of iron ore per annum commencing in 2006. Production is planned to increase to 2 million tonnes in 2008.

Stage 2 of the Jack Hills Project involves increasing annual production of direct shipping high grade ore up to 25 million tonnes per annum. In Stage 2, iron ore would be railed to a new port facility at Oakajee for export to customers in North Asia.

About POSCOENC

POSCOENC is a wholly owned subsidiary of one of the world's largest iron and steel producers, POSCO Limited of South Korea. POSCOENC is involved in engineering and construction.

POSCO recently completed a strategic alliance with Murchison Metals and holds approximately 4% of its issued capital plus options to acquire a larger percentage.

About Mitsubishi

Mitsubishi Corporation is Japan's largest general trading company with over 200 operations in approximately 80 countries worldwide. It has over 500 group companies, employing a workforce of approximately 48,000 people.

Mitsubishi Corporation is engaged in virtually every industry, including energy, metals, machinery, chemicals, food and general merchandise.

About Toll Holdings

Toll Holdings is Australia's leading transport and logistics provider and is a market leader in the operation of road, rail, air and sea based logistics services across Australia.

Location Map

