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News still good from Jack Hills

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AS PART of its Stage 2 definition drilling program at the Jack Hills hematite project, Murchison Metals has released new drilling results showing further intersects of wide, high-grade lenses of massive iron ore, the company said.

New results from the Mid-West iron ore development included 18m at 63.6% iron from 18m, 48m at 65.8% iron from 66m, and 34.2m at 67.4% iron from 51m.

Murchison said the drilling program had hit zones of high-grade iron mineralisation, which have been intersected below areas of little or no iron ore outcrop, and beside already known lenses.

Two drillholes intersected these new areas and returned grades of 18m at 64.3% iron from 134m and 52m at 64.5% iron from 198m.

After all the data from the current drilling program has been analysed, Murchison said it intended to drill follow-up holes to identify the full extent of the new zone.

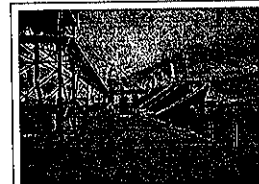
The hits and the new zones confirm the continuity of mineralisation at the project and its potential to host large tonnages of high-grade ore, the company added.

Mining at Jack Hills began in September last year, with its first shipment of ore leaving Geraldton port for China in February.

The company has a targeted production of 1.5 million tonnes per annum of iron ore from the project, expanding to 2Mtpa in 2008.

Shares in the company gained 3c in morning trade today to \$3.08.

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The port of Geraldton where Murchison Metals will ship iron ore from as part of Stage 1 development at its Jack Hills project

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