



NEWS RELEASE

August 25, 2014

## MURCHISON MINERALS CONFIRMS POTENTIAL FOR ECONOMIC NICKEL MINERALIZATION BY FIRST DRILLING PROGRAM AT KARUMA

**August 25, 2014 (Toronto, Ontario):** Murchison Minerals Ltd. (“Murchison” or “Company”) (CSE:MUR) is pleased to announce results of the 1,013 metre diamond drilling program completed in July on the Karuma area of the 100% owned Murchison project in central Uganda. Three of the four widely spaced drill holes (see the attached map) intersected potentially economic grades of near surface, as well as, deeper seated nickel mineralization, while all four holes intersected sulphide mineralization.

The results confirm the potential to define both Ni-sulphide type deposits as well as Ni-oxide type deposits at Karuma and support the notion that a large tonnage shallow, low grade/low strip ratio, nickel deposit(s) may be identified. Furthermore, there are five deep-seated electro-magnetic (“EM”) conductors located within the 500 ppm Ni contour of the soil anomalies that have yet to be explained by drilling. **Only visibly mineralized sections have been assayed to-date in these four holes.** Additional information is available in the updated corporate presentation posted on our website: [www.murchisonminerals.com](http://www.murchisonminerals.com).

### HIGHLIGHTS:

- Hole KAR-DD-001 intersected 1.0 m assaying 2.31% Ni from 127.0 m to 128.0 m down-hole,
- Hole KAR-DD-003 intersected 29.3 m with an average of 0.38% Ni and 0.06% Co from 0.7 m to 30.0 m down-hole; including 0.67% Ni over 9.0 m from 12.5 m to 21.5 m; and including 0.83% Ni over 3.4 m from 13.8 m to 17.2 m
- Hole KAR-DD-004, spatially located approximately 1,750 m from hole KAR-DD-003, intersected 24.4 m with an average of 0.35% Ni and 0.047% Co from 0.6 m to 25.0 m, including 0.52% Ni over 10.6 m from 9.4 m to 20.0 m.

All drill-core sampled was cut with a rock saw at Murchison’s field base. All mineralized samples were sent to ALS-Chemex in Johannesburg, South Africa, for preparation and analysis, by fire assay (method PGM-ICP23) for Au, Pt and Pd and by ICP fusion (ME-ICP81) for base metals and oxides.

As there are very few outcrops at Karuma, all drill targeting is based on a combination of geochemistry and geophysical surveying. The four drill-holes completed by Murchison targeted six of the 15 drill-ready Moving Loop (MLEM) and Fixed Loop (FLEM) conductors identified in recently completed ground EM surveys on the 12 km long by 3 km wide Karuma magnetic structure. These conductors are all spatially related to a gravity high anomaly. Soil geochemistry has also confirmed the presence of grouped anomalous values of Ni, Cu, Cr, Co, Pt, Pd and Au that are spatially related to certain of the EM conductors, as well as several extensive zones enriched in scandium (up to 116 ppm Sc).

Holes KAR-DD-003 (targeting MLEM conductor #1) and KAR-DD-004 (targeting FLEM conductor #2) are approximately 1,750 m apart and show remarkable similarity in nickel grade distribution supporting the possibility that this type of near surface mineralization extends over a large area which could host one or more large tonnage open pit nickel deposits. Both holes were collared within a nearly 4,000 m long by 300 to 650 m wide nickel soil anomaly (500 ppm Ni contour).

The mineralization intersected in the core of either KAR-DD-003 or KAR-DD-004 did not explain the strong geophysical readings, suggesting the sources of the conductors must be nearby. Plastic casing was inserted to the bottom of both holes to allow for future down-hole EM to locate and better define the conductors.

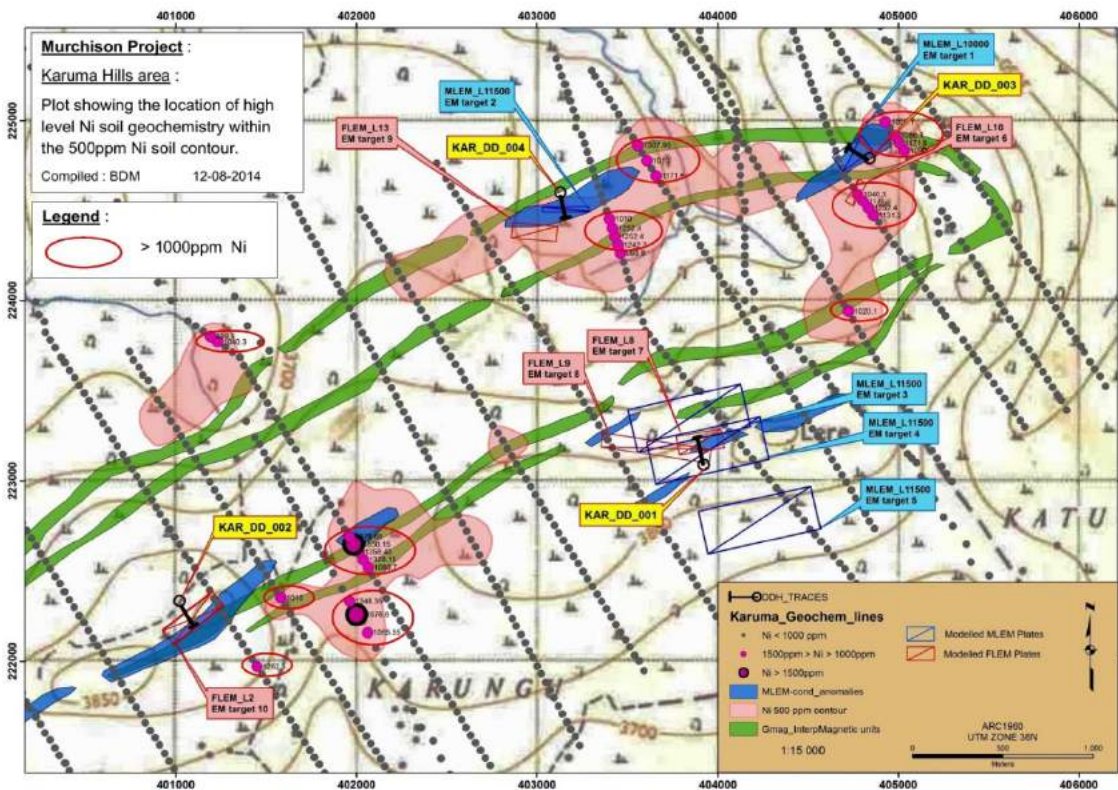
Hole KAR-DD-001 targeted conductors 4, 7 and 8 and intersected 64.5 m of disseminated to stringer and massive sulphide mineralization in five zones, mostly pyrrhotite with minor chalcopyrite and pyrite. The three most extensive zones probably correlate to the target conductors though the geophysical modelling suggests the main part of the conductors was not intersected by KAR-DD-001. The thickness of massive sulphide mineralization and the nickel content in these types of deposits can vary considerably over short distances.

Similarly hole KAR-DD-002 intersected 41 m of sulphide mineralization in two zones. The presence of these sulphides is a positive indicator for the adjoining EM conductor about 1,000 m to the east which is associated with a strong Ni soil anomaly with values up to 0.16% Ni.

### Drill Hole Collars

Hole No.	UTM E	UTM N	RL	Azm	Dip	Final EOH
KAR-DD-001	403917	223095	1137	348	-60	294.5
KAR-DD-002	401028	222307	1135	148	-60	219.7
KAR-DD-003	404825	224798	1112	300	-60	249.5
KAR-DD-004	403131	224581	1094	168	-60	249.3

This following map (also available on the Company’s website) illustrates the eastern half (about 6 km in strike length) of the Karuma folded magnetic structure, the location of the four drill holes and of the EM conductors relative to the 500 ppm Ni soil anomaly contours. The main nickel anomaly, defined by the 500 ppm Ni contour, extends over an area approximately 4,000 m long by 300 m to 650 m wide. The other principal nickel anomalies have strike lengths of 1,750 m and 850 m respectively. The small pink circles on the map highlight soil values greater than 0.1% (1,000 ppm) Ni.



### **Future Drilling Program**

Given the shallow nature of the nickel mineralization intersected in the initial diamond-drilling program, the company proposes to drill additional shallow reverse circulation (“RC”) holes (subject to financing) (each approximately 40 m) to test the continuity and lateral extent of the mineralization in KAR-DD-003 and 004 as well as the two other nearby nickel soil anomalies.

Down-hole EM is also planned for holes KAR-DD-003 and 004 in order to locate and better define MLEM conductor #1 and FLEM conductor #2.

### **Au/Pt/Pd Potential at Karuma**

A soil survey completed earlier over Karuma identified several areas with anomalous gold values (up to 1.33 g/t Au), platinum (up to 0.24 g/t Pt) and palladium (up to 0.40g/t Pd)

### **Katulikire Gold Target**

Subject to financing, Murchison also proposes to drill 3 lines of shallow RAB (Rotary Air Blast) holes totaling at least 800 m to test the Katulikire gold anomaly which occurs in soils overlying metasediments southeast of the Karuma structure. Values of up to 0.76 g/t Au were recorded in soil sampling, associated with up to 192 ppm As, 418 ppm Cr and 3,440 ppm Ba. The gold anomaly covers an area of approximately 2 km by 3 km.

The Karuma area represents about three percent of the land position held by Murchison under exploration licenses in central Uganda. There are 25 other mafic bodies within the Murchison project, many of them with anomalous Ni, Cu and Co in soil geochemistry.

The exploration work completed over the past four years in Uganda has confirmed the prospective nature of the 1,200 km<sup>2</sup> land package comprising the Murchison project which hosts both ultramafic and sedimentary rock formations. The area benefits from relatively good transportation infrastructure and power—the Nile River and tarmac roads. A 600 MW hydroelectric project, which is under construction at Karuma Falls and expected to be commissioned in 2018, is located less than 30 km from Murchison’s exploration licenses. This region of Uganda also benefits from active oil exploration and development.

### **About Murchison Minerals Ltd.**

A Canadian based company actively exploring for base metals and precious metals, including platinum group metals, in central Uganda where it controls the mineral rights over an area of approximately 1,200 km<sup>2</sup>. Murchison also holds the 17 km long Cloridorme Alumina/REE property, which lies on strike with Orbite Aluminae’s (TSX: ORT) billion-tonne Al<sub>2</sub>O<sub>3</sub> Marin deposit, located in the Gaspé area of Quebec. Murchison’s other Canadian holdings include the Brabant Lake Zn-Cu-Pb-Ag deposit in central Saskatchewan and a significant land position covering approximately 63 km<sup>2</sup> in the Pickle Lake gold area of northwestern Ontario.

### **Qualified Person**

Mr. Martin Taylor, P. Geo. is a “qualified person” within the meaning of National Instrument 43-101 and has supervised the preparation of, and confirmed, all of the scientific and technical disclosure in this press release.

### ***For further information, please contact:***

Murchison Minerals Ltd.

Jean-Charles Potvin, President and Chief Executive Officer  
jcpotvin@murchisonminerals.com  
(416) 350-3997

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