



macquarieharbour
mining

ACN 124 212 175

SHORT FORM PROSPECTUS

For a non-renounceable rights issue of 1 Option for every 2 Shares held by Shareholders as at 5.00pm EST on 27 March 2008 at an issue price of 1 cent per Option to raise approximately \$274,979 (**Rights Issue**). The Options are exercisable at 20 cents each on or before 31 August 2012.

Underwriter



ACN 124 761 557
AFSL 316880

Important Notice

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document the information of which is deemed to be incorporated in this Prospectus.

This is an important document that should be read in its entirety. Please consult your professional adviser(s) if you have any questions. The mineral properties described in this Prospectus are at the exploration and evaluation stage and accordingly investment in the Options offered by this Prospectus should be regarded as speculative in nature.

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SECTION 1 IMPORTANT INFORMATION

This Prospectus is dated 11 March 2008 and a copy of this Prospectus was lodged with ASIC on that date. No responsibility as to the contents of this Prospectus is taken by ASIC or ASX.

In compliance with the Corporations Act, this Prospectus and the documents specified in Section 10.4 of this Prospectus contain all information which potential investors and their professional advisers would reasonably require and expect to find in the Prospectus for the purpose of making an informed assessment of the effect of the Offer on the Company.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. In making representations in this Prospectus regard has been given to the fact that ASX maintains a file containing publicly disclosed information about the Company and that the Company is a disclosing entity for the purpose of the Corporations Act, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Some words in this Prospectus have defined meaning. The definitions appear in the Glossary at Section 14 of this Prospectus. Reference to dollars is to Australian dollars unless otherwise indicated.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This means that this Prospectus does not of itself contain all the information that is generally required to set be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in another document that has been lodged with ASIC.

This Prospectus refers to the disclosure document lodged by the Company with ASIC on 5 October 2007 for the offer of up to 30,000,000 Shares at an issue price of 20 cents each to raise up to \$6,000,000. In referring to the October 2007 Prospectus, the Company:

- (a) identifies the October 2007 Prospectus as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 1. the Options; and
 2. the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of MHM.
- (b) refers Shareholders and their professional advisers to Section 6.2 of this Prospectus which summarises the information in the October 2007 Prospectus deemed to be incorporated in this Prospectus;
- (c) informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the October 2007 Prospectus by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the October 2007 Prospectus will be primarily of interest to Shareholders and their professional advisers or analysts.

SECTION 2 CORPORATE DIRECTORY

Directors

Non-Executive Chairman – Basil Conti
Managing Director – Frank Rogers
Executive Director – Benjamin Mead
Non-Executive Director – Dr Neil Allen
Non-Executive Director – Peter Robertson

Company Secretary

Jade D’Andrilli

Registered Office

1st Floor, 20 Kings Park Road
West Perth WA 6005

Principal Place of Business

20 Recreation Street
Kingston Beach TAS 7050
Telephone: (61 3) 6229 9955
Facsimile: (61 2) 6229 8430
Email: info@mhml.com.au
Website: www.mhml.com.au

ASX Code: MHM

Underwriter

Sonray Corporate Pty Ltd
Level 7, 14 Martin Place
Sydney NSW 2000

Solicitors to the Company

Pullinger Readhead Lucas
Level 2, Fortescue House
50 Kings Park Road
West Perth WA 6005

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (61 8) 9315 2333
Facsimile: (61 8) 9315 2233

Auditors

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

* The names of these parties are included for information purposes only.

SECTION 3 TIMETABLE AND IMPORTANT DATES

The following key dates are indicative only and may be subject to change without notice:

EVENT	DATE
Lodgement of this Prospectus with ASIC and ASX	11 March 2008
“Ex” Date	19 March 2008
Record Date to determine entitlements to Options	27 March 2008
Despatch of Prospectus and Entitlement and Acceptance Form	31 March 2008
Opening Date	31 March 2008
Closing Date	14 April 2008
Options quoted on a deferred settlement basis	15 April 2008
Despatch date of holding statements	18 April 2008

SECTION 4 CHAIRMAN'S LETTER

Dear Shareholder

The Board is pleased to offer all Shareholders the opportunity to participate in a 1-for-2 non-renounceable rights issue as documented in this Short Form Prospectus. This was proposed in the October 2007 Prospectus as an "entitlement option" for those shareholders who held their issued stock and for new shareholders supporting the Company in its first few months after listing.

All Shareholders registered at 5.00pm EST on 27 March 2008 will be entitled to participate in a non-renounceable entitlements issue of Options on the basis of 1 Option for every 2 Shares then held.

The closing date for acceptances is 5.00pm EST on 14 April 2008.

Since listing in December 2007, the company has been busy in implementing the strategies described in the October 2007 Prospectus:

- Macquarie Harbour Mining Limited (ASX: MHM) successfully listed on ASX on Friday, 14 December 2007 after raising \$5.5 million in IPO funds.
- The Company has subsequently applied for a 12 km² exploration licence in the north east of Tasmania covering a number of old mine workings around the town of Gladstone to enhance its existing gold mining project. It has also made applications for an additional 3 exploration licences totalling 204 km² adjoining its current tenements at Macquarie Harbour.
- Ground reconnaissance programs have been conducted at the Company's Gladstone Project and an RC Drilling program commenced on 20 February 2008.
- The Company has commenced construction of a mobile alluvial tin sampling plant with a view to commencing bulk sampling at its Musselroe Tin project in the 2nd Quarter of 2008.

The Directors intend to take up their entitlements to the Options and recommend that all Shareholders do so.

The Board takes this opportunity to thank all Shareholders for their support since listing and looks forward to your continued support in the future.

Yours faithfully,
Macquarie Harbour Mining Limited

Basil Conti
Chairman

SECTION 5 DETAILS OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$274,979 (before costs of this Prospectus) for general working capital purposes, and also to meet the estimated Offer expenses of \$25,000.

5.2 The Rights Issue

The Company is making a pro-rata non-renounceable rights issue to Shareholders who are registered at 5:00pm EST on 27 March 2008 (**Record Date**) of approximately 27.5 million Options at an issue price of 1 cent each to raise \$274,979 (before expenses of the issue).

The Options will be offered on the basis of one (1) Option for every two (2) Shares then held. There are currently 2,380,750 Options on issue. Existing Option holders are not eligible to participate in the Offer unless they have exercised their Options on or before the Record Date.

The maximum number of Options which could therefore be issued under this Prospectus is approximately 27.5 million (subject to rounding of fractional entitlements and additional options exercised). In the calculation of any entitlement, fractions will be rounded up to the nearest whole number.

The Options will have an exercise price of 20 cents and an expiry date of 31 August 2012.

5.3 Entitlement

The number of Options to which each Eligible Participant is entitled is shown on the enclosed Entitlement and Acceptance Form. Eligible Participants deciding to accept their Entitlement (either in whole or in part) must do so in accordance with the instructions set out on the accompanying Entitlement and Acceptance Form. If you are in doubt as to the course of action to be taken, you should consult your professional adviser.

Please read carefully the instructions on the reverse side of the accompanying Entitlement and Acceptance Form regarding acceptance.

An Eligible Participant's Entitlement will lapse unless a completed Entitlement and Acceptance Form and application monies reach the Company's share registry by the Closing Date.

5.4 Closing Date

The Closing Date for the Rights Issue is 5:00pm EST on 14 April 2008.

The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As such, the date the Options are expected to commence trading on ASX may vary with any change in the Closing Date.

5.5 Terms of Payment

The payment of 1 cent per Option pursuant to the Offer must be made in full on application and must accompany the duly completed Entitlement and Acceptance Form. Applications must be forwarded to the Company's Share Registry, Security Transfer Registrars Pty Ltd, at:

**PO Box 535
Applecross WA 6953**

or

**770 Canning Highway
Applecross WA 6153**

Cheques in respect of applications for Options must be in Australian currency drawn on an Australian bank, made payable to “**Macquarie Harbour Mining Limited**” and crossed “Not Negotiable”. Applicants must not forward cash. Receipts for payments will not be issued.

5.6 Underwriting

The Rights Issue is underwritten by Sonray Corporate Pty Ltd (**Sonray**). A summary of the underwriting agreement between Sonray and the Company is contained in section 11.2.

5.7 Oversubscriptions

Oversubscriptions will not be accepted.

5.8 Overseas Shareholders

Shareholders resident outside Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlements.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer.

5.9 Allotment

The Options will be allotted and issued as soon as practicable after the Closing Date. Statements of holding for the Options will be mailed as soon as possible after the Closing Date. No Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

5.10 Official Quotation by ASX

Application for Official Quotation of the Options by ASX will be made by the Company within seven (7) days of the date of this Prospectus. Application for official quotation of Shares allotted and issued as a result of the exercise of Options issued under this Prospectus will be made within three (3) business days of allotment and issue.

If ASX does not grant permission for Official Quotation of the Options within three (3) months of the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Options offered by this Prospectus will be granted. In that circumstance, all applications will be dealt with in accordance with Section 724 of the Corporations Act.

5.11 Enquiries

If you have any questions concerning your entitlement, please contact the Company Secretary of MHM Limited, Mr Jade D’Andrilli, on (03) 6229 9955.

SECTION 6 INFORMATION DEEMED TO BE INCORPORATED INTO THIS PROSPECTUS

6.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates, by reference, information contained in a document that has been lodged with ASIC.

The information to be incorporated, by reference, into this Prospectus is summarised below in Section 6.2 and will primarily be of interest to investors and their professional advisers or analysts.

The Company informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the October 2007 Prospectus by contacting the Company at its registered office during normal business hours during the Offer Period. The October 2007 Prospectus is also available on the Company's website at www.mhml.com.au.

6.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the October 2007 Prospectus that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making an informed investment decision in relation to the Options, they should obtain a copy of the October 2007 Prospectus.

The Sections referred to below are references to sections in the October 2007 Prospectus.

Investment Highlights

Gives a summary of the October 2007 offer and outlines the Company's project and corporate highlights.

Section 1 – Details of the offer

Section 1 contains information relating to the procedural aspects of the share offer under the October 2007 Prospectus. It details a number of aspects, for example, how to apply for shares, minimum subscription, allotment and listing of shares and the Company's privacy statement. It also outlines the Company's proposed use of proceeds from that offer and the impact of that offer on the Company's capital structure.

Section 2 – The Company, its projects and proposed exploration

Section 2 contains an overview of the Company, including summary of its corporate strategy and strategy for growth. It also contains an overview of the company's principal exploration projects, along with a schedule of the Company's proposed exploration activities for each project over the ensuing two years, and a summary of the expenditure proposed for each project over that period.

Please refer to Section 5 – Independent consulting geologists report below for an update on the Company's projects.

Section 3 – Directors and management

Section 3 contains information relating to each of the five Directors of the Company and key members of the Management team.

Section 4 – Risk factors

Section 4 details a number of risk factors that may impact on the success and future profitability of the Company. A number of specific risks associated with the Company's business operations and its involvement in the exploration and mining industry were also detailed.

Section 5 – Independent consulting geologist's report

Section 5 consists of the independent consulting geologist's report, which contains an assessment of MHM's exploration properties, providing in each instance a summary of the Company's exploration targets, previous exploration on the properties, discussion of the geology and mineralisation, future work required, including minimum expenditure budgets.

Since 14 December 2007, the Company has undertaken a majority of exploration efforts on EL2/2007, which contains a number of gold targets known collectively as the Gladstone Gold Project. An RC Drilling programme has commenced in the region, building upon several group reconnaissance and rock chip sampling programs, of which the initial assaying results are yet to be received.

On the West Coast three new tenements EL61/2007, EL62/2007 and EL63/2007 have been applied for to cover potential extensions of the targeted regional mineral structures and to provide strategic access to areas that could be important for infrastructure should a commercially viable operation be found on the original leases.

The geology of the new tenements under application lie over mesoproterozoic, orthoquartzite, mudstones, siltstones and siliceous conglomerates. Further, EL62/2007 contains a significant magnetic anomaly north from Asbestos Point to Coal Head. This tenement was applied for to provide coverage for any extensions to mineralization associated with the nickeliferous ultramafic rocks at Asbestos Point running north under Macquarie Harbour.

The new areas applied for on the West Coast all lie within the Southwest Conservation Area as do all the original tenements owned by MHM. The same rules will apply to the new applications as for the other ground held by the Company. During the application phase no objections were received from any party.

A further tenement in the North East, EL66/2007 was applied for through a Government tender process and was targeted because it contained previous gold and tin workings and lay adjacent the Company's existing tenement EL2/2007 and could contain extensions to any mineralization found.

The geology of the new application in the North East is identical to that on the Company's existing tenements in that area. It comprises of the Mathinna sedimentary sequence of Silurian age intruded by Devonian granite bodies that are known to be the generators of both the gold and the tin. This sequence is cross-faulted and old records show that the quartz veining could be associated with this faulting with the gold hosted within particular facies of the Mathinna sequence.

The tenement lies on both private and Government land and as it was applied for under the statutory tender process as an existing tenement only the normal operational caveats apply to pre-approval of works.

Section 6 – Solicitor's report on mining tenements

Section 6 contains a solicitor's report which outlines and confirms the mining tenements portfolio of the Company.

Since 14 December 2007, the Company has made application for four more tenements; EL66/2007, EL61/2007, EL62/2007 and EL63/2007. These tenements, together with EL20/2007 are yet to be formally approved.

Section 7 – Investigating accountant's report

Section 7 comprises the investigating accountant's report, included to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The investigating accountant's report contains an un-audited pro-forma statement of financial position as at 30 June 2007, reflecting the position of the Company on the basis that various transactions, including the issue of all the Shares offered under the October 2007 Prospectus (excluding oversubscriptions) had been completed. It contains an opinion as to whether the pro-forma statement of financial position presents fairly the pro-forma statement of financial position of MHM as at 30 June 2007 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in the report.

Investors should also note the pro forma balance sheet set out in Section 8 of this document based on unaudited management accounts as at 31 December 2007 detailing the effect of the offer on the Company.

Section 8 – Additional information

Section 8 sets out additional information required to be disclosed in the Prospectus including:

- 8.1 Incorporation;
- 8.3 Corporate Governance;
- 8.4 Material Contracts;
- 8.5 Interests of Directors, including remuneration and holdings in Company securities; and
- 8.10 Further information on managing director – Frank Rogers.

Section 9 – Directors’ statements

Section 9 contains the Directors’ consent to lodgement of the document with ASIC.

Glossary

SECTION 7 COMPANY OVERVIEW

7.1 Overview and Reference to October 2007 Prospectus

A comprehensive overview of the Company is set out in the October 2007 Prospectus that was lodged with ASIC on 5 October 2007 for the initial public offering of up to 30,000,000 shares. Persons considering subscribing for Options under this Prospectus should refer to Section 6.2 of this Prospectus for a summary of the information contained in the October 2007 Prospectus deemed to be incorporated into this Prospectus.

As detailed in Section 1.2 of the October 2007 Prospectus, the Company's main objectives in raising funds, the subject of the Offer in October 2007 Prospectus include:

(a) enabling the Company to:

- carry out its exploration programs;
- finance development; and
- acquire other mineral properties;

(b) providing working capital; and

(c) listing on ASX and paying associated costs with the Offer.

Pursuant to applications received under the October 2007 Prospectus, the Directors resolved to allot and issue 27,615,000 Shares at an issue price of 20 cents each. The Company presently has 54,995,760 Shares on issue.

Macquarie Harbour Mining Limited was admitted to the ASX Official List on 12 December 2007 with official quotation of its Shares commencing on 14 December 2007.

Under ASX Listing Rules, 27,380,760 shares were subject to escrow restrictions. The Company's share registry has holding locks in place on the balance of the relevant holdings and will not release them without ASX approval. The numbers and periods of escrow are as follows:

Fully paid ordinary shares:

NUMBER	ESCROW PERIOD
2,600,000	6 months commencing on 14 December 2007
3,400,000	12 months commencing from the date of issue
21,380,760	24 months commencing on 14 December 2007

Options – Exercisable @ 20 cents, expiry date 31 August 2012:

NUMBER	ESCROW PERIOD
2,380,750	24 months commencing on 14 December 2007

The balance of the issued capital of the Company, being 27,615,000 Shares, are quoted on ASX.

In addition, the Company has entered into voluntary restriction agreements with Shareholders holding a total of 6,000,000 Shares. The terms of the voluntary restriction agreements, which apply irrespective and over and above restrictions imposed by the ASX restrict shareholders from directly or indirectly disposing of or granting any security over those Shares for six months after 14 December 2007.

None of the Options issued pursuant to this Prospectus to any Shareholder, whether holding escrowed shares or not, will be subject to any escrow restrictions.

7.2 Circumstances or Matters subsequent to the October 2007 Prospectus

Other than as outlined above and elsewhere in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the October 2007 Prospectus or the activities and prospects of the Company which are relevant to assist Shareholders or their professional advisers in making an informed assessment of relevant matters.

SECTION 8 EFFECT OF THE OFFER

Under the Offer, approximately 27,497,880 Options (subject to rounding) are available for issue and will be issued if the Offer is fully subscribed. The Options will be issued for 1 cent each. Net proceeds from the Offer will be credited to an option premium reserve.

Upon completion of the Offer, the issued capital of the Company will comprise 54,995,760 Shares and 29,878,630 Options.

Expenses of the Offer, estimated to be approximately \$25,000, will be met from the Company's working capital. After expenses of the Offer, the proceeds from the issue of the Options will be approximately \$250,000. These funds will be used as part of the general working capital requirement of the Company.

The pro-forma balance sheet below is as per the Balance Sheet at 31 December 2007. Since that date the Company has incurred operating expenses which will result in an increase to accumulated losses and a decrease in cash and cash equivalents.

BALANCE SHEET

	Notes	Reviewed 31 December 2007 \$	Pro-forma Adjustments	Pro-forma After Issue \$
Current assets				
Cash and cash equivalents	1	4,754,083	249,979	5,004,062
Trade and other receivables		45,504	-	45,504
Total current assets		4,799,587	249,979	5,049,566
Non-current assets				
Receivables		-	-	-
Other financial assets		-	-	-
Exploration and evaluation		193,922	-	193,922
Property, plant and equipment		113,255	-	113,255
Deferred assets		-	-	-
Intangible assets		5,326	-	5,326
Total non-current assets		312,503	-	312,503
Total assets		5,112,090	249,979	5,362,069
Current liabilities				
Trade and other payables		115,334	-	115,334
Total current liabilities		115,334	-	115,334
Non-current liabilities				
Deferred tax liabilities		8,846	-	8,846
Total non-current liabilities		8,846	-	8,846
Total liabilities		124,180	-	124,180
Net assets		4,987,910	249,979	5,237,889
Equity				
Contributed equity	2	5,386,400	249,979	5,636,379
Share base payments reserve		230,933	-	230,933
Accumulated losses		(629,423)	-	(629,423)
Total equity		4,987,910	249,979	5,237,889

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

1 Cash and Cash Equivalents

	Reviewed 31 December 2007	Pro-forma After Issue
	\$	\$
Cash at bank	4,754,083	5,004,062

Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:

Reviewed balance at 31 December 2007		4,754,083
Proceeds from options issued under this Prospectus		274,979
Option issue costs		(25,000)
Pro-forma Balance		5,004,062
2 Contributed Equity		

	Reviewed 31 December 2007	Pro-forma After Issue
	\$	\$
Contributed equity	5,386,400	5,636,379

Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:

	Number of Options	\$
Reviewed balance at 31 December 2007	-	5,386,400
Issue of options at 1c each pursuant to this Prospectus	27,497,900	274,979
Option issue costs	-	(25,000)
Pro-forma Balance	27,497,900	5,636,379

SECTION 9

TERMS AND CONDITIONS OF OPTIONS & RIGHTS ATTACHING TO SHARES

9.1 Terms and Conditions of Options

The terms and conditions of the Options are as follows:

a) Exercise Price

The exercise price of each Option is 20 cents.

b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) Option Period

The Options will expire at 5.00pm EST on 31 August 2012. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

d) Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Option will rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.

e) Voting

A registered owner of an Option ("Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) Transfer of an Option

Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX.

g) Method of Exercise of an Option

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options ("Notice of Exercise of Options"). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an exercise price of 20 cents (\$0.20) per Option.
- (iii) Subject to paragraph (g) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 31 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

- (v) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

i) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

j) No Change of Options' Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Options or the number of underlying Shares.

9.2 Rights Attaching to Shares

The Shares to be issued upon exercise of the Options are ordinary shares and will as from their allotment rank equally in all respects with all ordinary fully paid shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's Constitution is available for inspection during business hours at its registered office.

A summary of the more significant rights is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's shareholders. To obtain such a statement, persons should seek independent legal advice.

Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson has a casting vote.

Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company in proportion which the amount paid on the shares bears to the total amount paid and payable on the shares of all shareholders of the Company.

Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASTC Rules, the ACH Clearing Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASTC Rules, the ACH Clearing Rules or under the Company's Constitution.

Directors

The Constitution and the ASX Listing Rules contain provisions relating to the rotation and election of Directors.

Calls on Shares

Subject to the Corporations Act and the terms of issue of a share, the Company may, at any time, make calls on the shareholders of a share for all, or any part of, the amount unpaid on the share. If a shareholder fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and ASX Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the share in respect of which the call was made or forfeit the share in respect of which the call was made.

Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and any rights attached to a class of shares, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

SECTION 10 ADDITIONAL INFORMATION

10.1 Market Prices of Ordinary Shares

Official quotation of the Company's Shares commenced on 14 December 2007 and consequently, the trading history on ASX as at the date of this Prospectus is limited to the period since that date.

The highest and lowest recorded market sale prices of the Company's shares quoted on ASX during the period from commencement of official quotation to the date of this Prospectus were:

	Price	Date
Highest	\$0.22	14 December 2007
Lowest	\$0.095	11 February 2008

The last market sale price of the Company's Shares on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was 10.5 cents on 10 March 2008.

The Company has no options over Shares that are currently quoted on ASX.

10.2 Expenses of the Offer

The expenses of the Offer, including legal and due diligence fees, ASX listing fees, printing costs, etc have been estimated to be \$25,000.

10.3 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

10.4 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a 'disclosing entity' for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an office of the ASIC. This includes the October 2007 Prospectus referred to in Section 6.2 of this Prospectus.

The Company will provide a copy of all documents used to notify the ASX of information relating to the Company under the provisions of the Listing Rules since official quotation on 14 December 2007. As at the time of lodging this Prospectus the only such documents were:

21/02/2008	Change of Director's Interest Notice
21/02/2008	Change of Director's Interest Notice
21/02/2008	MHM Exploration Update
31/01/2008	Quarterly Cash flow Report
31/01/2008	Quarterly Activities Report
30/01/2008	Change of Director's Interest Notice
16/01/2008	MHM Kickstarts Gold and Tin Exploration
16/01/2008	Website Update- Independent Broker Report
19/12/2007	MHM Acquires and Makes Applic. for Strategic New Tenements
18/12/2007	Initial Director's Interest Notice

12/12/2007	Share
12/12/2007	Final Pro-Forma Balance Sheet as at 30 June 2006
12/12/2007	IPO Fund Allocation
12/12/2007	Securities subject to escrow
12/12/2007	Distribution Schedule
12/12/2007	Employee Share Option Plans
12/12/2007	Top 20 shareholders
12/12/2007	ASX Circular: Pre-Quotation Disclosure
12/12/2007	ASX Circular: Admission to Official List
16/10/2007	Disclosure Document

10.5 Interests of Directors and Experts

A full disclosure of the interests of Directors, Experts and Promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the October 2007 Prospectus are set out in Sections 8.5 and 8.7 of the October 2007 Prospectus and, other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

The interests of the Directors in the securities of the Company at the date of this Prospectus are as follows:

Director	Fully Paid Shares Held Directly	Fully Paid Shares Held Indirectly	Unlisted Options Exercisable @ \$0.20 expiry 31-Aug-2012
Basil Conti	Nil	315,000	Nil
Frank Rogers	Nil	13,025,006	500,000
Ben Mead	40,001	2,000,000	500,000
Dr Neil Allen	1	200,000	Nil
Peter Roberson	100,001	50,000	Nil

The Company's chairman, Basil Conti, is a director of Harden East & Conti Pty Limited. Harden East & Conti Pty Limited has provided accounting, taxation and corporate secretarial services to the Company since its incorporation in March this year. Since incorporation, the Company has paid Harden East & Conti Pty Limited \$34,725.10 (inc. GST) for the provision of these services. Harden East & Conti Pty Limited will continue to provide accounting, taxation and corporate secretarial services to the Company on normal commercial terms.

10.6 Interests of Experts and Advisers

BDO Kendalls Audit & Assurance (WA) Pty Ltd is auditor to the Company and has received payments to date of \$10,000 (exc. GST). BDO Kendalls Audit & Assurance (WA) Pty Ltd continues to act as auditor and will receive fees for rendering services in accordance with its normal time based charges.

BDO Kendalls Corporate Finance (WA) Pty Ltd acted as the independent accountant to the Company's initial public offer and prepared the Investigating Accountant's Report. BDO Kendalls Corporate Finance (WA) Pty Ltd has received \$11,800 (exc. GST) in respect of these services. BDO Kendalls Corporate Finance (WA) Pty Ltd will not receive any payments in respect of this offer.

Sonray Corporate Pty Ltd acted as financial adviser and lead manager to the Company's initial public offer. The total fees received by Sonray Corporate to date is \$499,588.29 (inc. GST). Sonray Corporate Pty Ltd

is the underwriter to this offer. Sonray Corporate Pty Ltd will receive \$13,749 in fees as underwriter to the offer.

Pullinger Readhead Lucas has acted as solicitors to the Company. In respect of the provision of legal services, Pullinger Readhead Lucas has to date received \$49,367.85 (inc. GST). Pullinger Readhead Lucas will receive approximately \$5,000 in respect of advice and assistance provided in relation to certain aspects of this document.

Simmons Wolfhagen acted as the independent solicitor reporting on tenement and prepared the Independent Solicitor's Report. Simmons Wolfhagen has received \$4,540.68 (inc. GST) in respect of these services. Simmons Wolfhagen will not receive any fees in respect of this document.

Dr Tony Gifford acted as the independent consulting geologist and prepared the Independent Geological Report. Dr Gifford has received \$61,824.78 (exc. GST) for provision of these services. Dr Gifford will not receive any fees in respect of this document.

10.7 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options. Taxation consequences will depend on particular circumstances. Neither MHM nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Options in MHM or dealing with an entitlement in the Rights Issue.

SECTION 11 MATERIAL CONTRACTS

11.1 Summary of Material Contracts

Section 8.4 of the October 2007 Prospectus which is referred to in Section 6.2 of this Prospectus, sets out contracts to which the Company is a party which were considered by the Directors as being material to enable investors to make an informed assessment of the shares being offered under that Prospectus. Investors and their professional advisers are referred to that section of the October 2007 Prospectus in relation to material contracts.

11.2 Underwriting Agreement

MHM and the Underwriter have entered into an underwriting agreement as at the date of this Prospectus (**Underwriting Agreement**).

Underwriting

The Company appoints the Underwriter to underwrite the subscription of 27,497,880 Options pursuant to the Offer. The Underwriter may appoint sub underwriters to underwrite all or any of the underwritten Options.

Application and allotment

The Offer and allotment of Options must be carried out in accordance with the timetable, the Prospectus, the Corporations Act, the Listing Rules, the constitution of the Company and any other applicable law.

Payments

The Company must pay to the Underwriter an underwriting commission of 5% of the funds raised pursuant to the Offer being **\$13,748.94** (+ GST).

In addition to the fees described above, the Company has agreed to pay the Underwriter for certain agreed costs and expenses incurred by the Underwriter in relation to the Offer (including legal advice).

The Underwriter may engage sub-underwriters at its discretion and pay related sub-underwriting fees. Additionally, the Underwriter may pay a handling fee to ASX participating brokers.

Termination

The Underwriter may terminate the Underwriting Agreement in a number of circumstances, including:

- (a) **Misleading statement in the Prospectus:** a material statement in the Prospectus is found to be untrue, misleading or deceptive or it is found that the Prospectus contains a material omission;
- (b) **ASIC stop order, hearing or investigation:** ASIC issues a stop order under section 739(1) or (3) of the Corporations Act, gives notice of intention to hold a hearing in relation to the Prospectus pursuant to section 739(2) of the Corporations Act, applies for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or the Offer or commences any investigation, examination or hearing or gathers information under Part 3 of the ASIC Act in connection with the Prospectus or the Offer;
- (c) **Notices concerning the Prospectus:** any person (provided that if that person is the Underwriter, the Underwriter must act in good faith) gives a notice under section 730 or section 733(3) of the Corporations Act or withdraws a consent previously given under section 720 of the Corporations Act, in relation to the Prospectus;
- (d) **Lodgement of supplementary Prospectus:** a supplementary or replacement Prospectus is lodged under the Corporations Act without the prior written approval of the Underwriter (which approval may be withheld acting in its absolute discretion);
- (e) **Changes in prospects of the Company:** any adverse change occurs in the condition, financial position or prospects of the Company or a related body corporate that is, in the Underwriter's reasonable opinion, material;

- (f) **Breach of constitution:** the Company or any of its subsidiaries (if any) breaches its Constitution;
- (g) **Breach of Material Contract:** any person breaches any material contract;
- (h) **Termination of Material Contracts:** a Material Contract is terminated (whether by breach or otherwise), rescinded, altered or amended, without the prior consent of the Underwriter, or any such contract is found to be void, voidable or unenforceable;
- (i) **Breach of Law or regulation:** the Company or any of its subsidiaries or any officer of the Company or a subsidiary contravenes any provision of the Corporations Act, the Listing Rules or any other legislation of the Commonwealth of Australia or any State or Territory of Australia which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (j) **Prescribed Occurrence:** a 'prescribed occurrence' (as defined in the Underwriting Agreement) occurs in relation to the Company or an of its subsidiaries;
- (k) **Insolvency:** an insolvency event occurs, or in the reasonable opinion of the Underwriter, is not unlikely to occur;
- (l) **Breach of agreement:** the Company or any of its subsidiaries is in breach of any provision of the agreement that, in the Underwriter's reasonable opinion, is material;
- (m) **Breach of warranty:** any warranty given by the Company under the agreement is not true in any respect that is, in the Underwriter's reasonable opinion, material or has ceased to be true;
- (n) **Conviction of Officers:** any officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
- (o) **Unapproved alteration of capital:** the Company alters, or announces an intention to alter, its capital structure or its constitution without the prior consent of the Underwriter (such consent not to be unreasonably withheld);
- (p) **Unapproved encumbrances:** the Company or any of its subsidiaries gives security in favour of any person who is not a security holder at the date of this agreement;
- (q) **False or misleading information given to the Underwriter:** any information that is, in the Underwriter's reasonable opinion, material that was supplied at any time by or on behalf of the Company to the Underwriter in respect of any aspect of the Company or any of its subsidiaries or the Offer is or becomes misleading or deceptive;
- (r) **Commencement of hostilities:** an outbreak of hostilities not presently existing or an escalation of hostilities occurs (whether war has been declared or not) or a terrorist act is committed involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, the Peoples Republic of China (including the Special Administrative Region of Hong Kong), the countries of the former Russian empire (excluding wars or hostilities within those countries), Indonesia, Japan, or the Middle East;
- (s) **Changes of Law:** the Australian Government adopts or announces any change in fiscal or monetary or taxation policy which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (t) **Changes in Regulations:** a material change in any regulation relevant to the Company or the Offer is made or announced which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (u) **Quotation on ASX:** 3 months or such other period agreed by the Underwriter elapses after the date of issue of the Prospectus without the ASX granting re-quotation of the existing shares in the Company and the quotation of the Options on the securities market operated by ASX;
- (v) **Grant by ASX:** any grant of re-quotation by ASX is withdrawn or is made subject o any conditions other than the standard conditions;
- (w) **Statements issued in breach of agreement:** a statement is issued in breach of the terms of the Underwriting Agreement;
- (x) **Withdrawal of Prospectus:** the Company withdraws the Prospectus;

- (y) **Significant Change to Management or Board:** there is a significant change to the composition of the senior executives of the Company or of its board of directors without the approval of the Underwriter (which approval may not be unreasonably withheld);
- (z) **Judgment:** a judgment in an amount exceeding \$250,000.00 is obtained against the Company or any Subsidiary and is not set aside or satisfied within 5 Business Days;
- (aa) **Requirement to repay Application Money;** any circumstance arises after the Prospectus is lodged a consequence of which is either that the Company is required to repay the money received from Applicants or to offer Applicants an opportunity to withdraw their Applications and receive a refund of their Application Money;
- (bb) **Movement in the All Ordinaries Index:** the All Ordinaries Index of ASX is at any time on any 3 consecutive Business Days prior to allotment of the Options 90% or less of the level that Index attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement;
- (cc) **Movement in the ASX Small Ords Index:** the ASX Small Ords Index is at any time on any 3 consecutive Business Days prior to allotment of the Options 90% or less of the level that Index attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement;
- (dd) **Movement in the S&P/ASX 300 Resources Index:** the S&P/ASX 300 Resources Index is at any time on any 3 consecutive Business Days prior to allotment of the Options 90% or less of the level that Index attained at the close of trading on the Business Day before the date of signing of the Underwriting Agreement; or

Representations and warranties in the Underwriting Agreement

The Company has provided certain representations and warranties to the Underwriter in relation to the Prospectus, the Company and the Offer.

Company indemnity

The Company indemnifies the Underwriter against claims, demands, damages, losses, costs, expenses and liabilities which the Underwriter, its officers, employees, related bodies corporate and advisers suffer, incur or are liable for in relation to the Offer, the Prospectus, the Underwriting Agreement, and in certain other related circumstances.

SECTION 12 CONSENTS

BDO Kendalls Audit & Assurance (WA) Pty Ltd has consented to be named in this Prospectus as Auditor of the Company and to reference in the Investigating Accountant's Report to the reviewed 30 June 2007 financial statements of the Company in the form and context in which they are included. BDO Kendalls Audit & Assurance (WA) Pty Ltd has not authorised or caused the issue of any other part of this Prospectus.

BDO Kendalls Corporate Finance (WA) Pty Ltd has consented to the inclusion of the Investigating Accountant's Report in the form and context in which it is included. BDO Kendalls Corporate Finance (WA) Pty Ltd has not authorised or caused the issue of any other part of this Prospectus.

Pullinger Readhead Lucas has consented to be named in this Prospectus as the Solicitor of the Company. Pullinger Readhead Lucas have not authorised or caused the issue of any part of this Prospectus.

Security Transfer Registrars Pty Ltd has given consent to being named as the Company's Share Registry in this Prospectus in the form and context in which it is named and has not authorised or caused the issue of any part of this Prospectus.

Sonray Corporate Pty Ltd has given consent to being named as the lead manager, adviser and Underwriter in this Prospectus in the form and context in which it is named.

Dr Tony Gifford has consented to being named as the independent geologist in the form and context in which he is named and to the inclusion of the Independent Geological Report in the form and context in which it is included.

Simmons Wolfhagen has consented to being named as the independent solicitor report on tenements in the form and context in which it is named and to the inclusion of the Independent Solicitor's Report in the form and context in which it is included.

SECTION 13 AUTHORITY OF DIRECTORS

Each of the Directors of MHM Limited has consented to the lodgement of this Prospectus with ASIC in accordance with Section 720 of the Corporations Act.

Dated this 11th day of March 2008

**Signed for and on behalf of
Macquarie Harbour Mining Limited**

**By Basil Conti
Chairman**

SECTION 14 GLOSSARY

Applicant	means a person who submits an Entitlement and Acceptance Form under this Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691).
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Closing Date	means 14 April 2008.
Directors	means the directors of the Company.
Eligible Participant	means a Shareholder who is entitled to subscribe for Options pursuant to the Rights Issue.
Entitlement & Acceptance Form	means the personalised entitlement and acceptance form which accompanies the Prospectus.
Entitlement	means the right of a Shareholder to subscribe for Options under the Offer.
EST	means Australian Eastern Standard Time.
Listing Rules	means the official listing rules of ASX.
MHM or Company	means Macquarie Harbour Mining Limited (ACN 124 212 175).
Non-Renounceable	means that shareholders may not sell or transfer all or any part of their entitlement to the Rights Issue.
Non-Resident	means a person domiciled outside Australia
October 2007 Prospectus	means the prospectus lodged by the Company with ASIC and dated 5 October 2007.
Offer or Rights Issue	means the non-renounceable pro-rata issue of Options pursuant to this Prospectus as set out in Section 5.
Offer Period	means the period commencing on the Opening Date and ending on the Closing Date.
Official Quotation	has the same meaning as in the Listing Rules.
Opening Date	means 31 March 2008.
Option	means an option to subscribe for one Share in MHM and issued on the terms set out in Section 9.1 of this Prospectus.
Prospectus	means this Prospectus dated 11 March 2008.
Record Date	has the same meaning as in the Listing Rules which is specified by the Company as being 5:00pm EST on 27 March 2008.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a shareholder of the Company.
Shortfall	means the Options forming Entitlements, or parts of Entitlements, not accepted by Shareholders.
Underwriter	means Sonray Corporate Pty Ltd (ACN 124 761 557)

ENTITLEMENT & ACCEPTANCE FORM