



Macquarie Harbour Mining's Quarterly Activities Report Reflects the Substantial Amount of Work it has Undertaken to Progress its Goal of Establishing a Cash Flow by the end of 2009

Macquarie Harbour Mining Limited (MHM) is strategically positioned in Tasmania, with a prospective portfolio of projects that conform to the Company's philosophy to aggressively pursue the potential of its short to medium term income generating targets to offset the cost of further exploration of its long term projects.

The Company's quarterly activities report for the period ended the 31st March 2008, reflected the substantial amount of work it has undertaken in the short amount of time since its successful ASX listing in December 2007.

"We believe cash generation is essential to junior companies, such as ourselves," Mr. Frank Rogers, MHM's Managing Director informed the Australian Investor, "As a result, the Company's primary aim is to establish a cash flow that will support our larger projects which will underpin the future of MHM."

The Company has two projects that are seen as its short term income generators – the Gladstone Gold Project and the Musselroe Tin Project, both located in north east Tasmania.

Following review of historic literature and a period of field mapping at the Gladstone Gold Project, four historic prospects were chosen as early drill targets based on their potential to yield low-grade open pittable resources, combined with their accessibility and the pro-development attitude of the property owner.

Between 22 Feb and 10 April, a total of 48 holes were drilled over the prospects with an RC rig, for a total of 1965 metres.

"We have not received the assay results back, yet, but initial indications showed quartz and visible sulphides in varying proportions were intersected in the majority of holes," Mr. Rogers told the Australian Investor, "As soon as the assay results are received we intend to release a comprehensive report."

It is anticipated that further work will be necessary to define the extent of the mineralization in the area.

Concurrently, at its Musselroe Tin Project, the Company has continued to work on its bulk-sampling program that is set to commence in the second quarter of 2008, using a mobile gravity tin processing plant. Construction of the 5tph plant is completed, with delivery is expected in early May.

The approvals process for the program is currently underway, and it is anticipated that the bulk-sampling program will commence at the end of Q2 2008.

"Historically this area has been mined, resulting in a substantial tin production in the area," Mr. Rogers told the Australian Investor, "We believe that the combination of the encouraging data from this work and the strong tin prices means MHM is in a good position to achieve its aim of establishing a cash flow from this project."

Additionally, modern methods of tin recovery have improved significantly, meaning not only will MHM be focused on new discoveries, but also on recovering the fine tin that was

not collected due to the lack of technology in the past.

"As when we listed, our aim remains to establish a cash flow within the first two years of the Company's listing," Mr. Rogers commented, "We believe that these projects have the potential to achieve this aim and be generating cash by the end of 2009, at the latest."

On the west coast of Tasmania, a new exploration area recently acquired by the Company – the Silica Project (medium to long term focus)- shows significant potential for the exploitation of a known high purity quartzite silica deposit.

"We believe there is a significant amount of potential to upgrade both the grade and tonnage of the resource, which are based on historic work," Mr. Rogers informed the Australian Investor, "A drilling programme has been proposed to commence in the upcoming field season between October 2008 and April 2009."

Concurrently, the Company will be looking at marketing opportunities available for the end product.

Also during the quarter ground reconnaissance was conducted and exploration efforts were increased at the Company's medium to long term tenements that comprise an area of approximately 1200 sq km, with known mineralization including iron ore, copper, gold, nickel, high purity silica and PGM's.

Recently an investigative visit was made to the exploration area with the objective of completing aerial and ground reconnaissance of the Company's tenements to the south of Macquarie Harbour. Areas of particular interest included the Birthday Bay copper mineralization and nearby iron ore lenses, the Thomas Creek porphyry copper-gold prospect and the Hibbs ultramafic belt.

Also of consideration was investigation of ground vegetation cover and overburden, existing track conditions and site access to help facilitate specific exploration prioritization and planning, and to determine the need for access, infrastructure, support and exploration strategy.

"We have targeted Tasmania primarily because it is relatively underexplored in comparison to other more prominent mining states, even though it has a long history of mining with some large mines developed," Mr. Rogers informed the Australian Investor, "The west coast of Tasmania is particularly exciting as it is seen as one of the 10 most prospective regions for metals in the world."

Modern geophysical methods of exploration, new process technologies and innovative transport systems means that the ability to mine any discovery in this region is greatly enhanced, whereas previously the area was viewed as technically and logistically difficult.

According to Mr. Rogers, one of the main attributes of the Company that will significantly contribute to its development is its strong board and management team, who have extensive experience in both commercial and technical fields. It is believed this well balanced board will be essential to the potential future success of MHM.

Mr. Rogers concluded, "Since we listed we have remained intently focused on achieving a cash generation. As a result we have made a substantial amount of progress within a short span of time, especially for a junior company. We intend to maintain this momentum to maximise the potential value in our projects for our shareholders."

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