

# TASMANIAN MINING BOOM THE FOCUS FOR EXPLORER

Tasmania-based Macquarie Harbour Mining is at the forefront of the state's flourishing mining industry.

**S**IX MONTHS AFTER listing on the Australian Securities Exchange, the company's landholding encompasses 1250 square kilometres – about 2.5% of Tasmania's land mass.

Adding to the excellent position the exploration company is in, its tenements offer exciting exploration opportunities in areas that are historically mineral-rich and proven to be highly prospective for continued discoveries.

With an aggressive exploration budget of \$4 million over two years, Macquarie Harbour is intent on moving from exploration to production in 2009.

The company's project portfolio reflects a dual focus on short-term cash generated by gold and tin and enduring "company-making" targets of iron ore, copper-gold and nickel.

Managing director Frank Rogers says cashflow is essential for the

company to take advantage of Tasmania's mining boom.

"Our aim is to use this to support long-term projects that will secure the future of the company," he said. "My staff will tell you I am myopically focused on short-term cashflow and will not accept anything less."

Rogers, who has 40 years industry experience, says Tasmania is set to regain its past mining glory in the 21st century and to become a crucial contributor to the gold, nickel, tin and base metal markets.

"I have prospected all over Australia, particularly in WA," Rogers said. "I have never seen as much richly compacted mineralisation as on the west coast of Tasmania. It's quite stunning."

"Tasmania was ranked ninth best in the world for mineral potential by the Frasier Institute. That was in 2005 – exploration has grown even more since then. It reminds me of WA in the 1970s. It really is an exciting time."

"Ten years ago the Tasmanian Government didn't really want to know about it – but now it's taking its lead from WA and investing in the resource industry."

"It's realised how crucial it is for the economic future of the state and Macquarie Harbour is set to capitalise on this – our exploration areas are located in what the Government calls mining prospectivity zones."

"Basically, the Government tries to facilitate easy exploration and processing in the region. We are excited about the future."

Macquarie Harbour sees its long-term future in exploration of the west coast, however, the past six months have seen major exploration in the northeast, where the immediate profit-making potential lies.

Rogers said the company had targeted gold on private property near Gladstone.

"We had easy access because of a good relationship with the owner," he said.

"We were able to begin a drilling and costeaning program for some of the historic gold targets in a 10 by 3-kilometre area."

The company has conducted a reverse circulation drilling program of about 2000m on the property.

"Although we got some high-grade hits near the old gold mines, it didn't warrant a second-stage drilling program. We are just six months old – we want to launch straight into a fairly inexpensive, high-return project," Rogers said.

"We are targeting open-pit style resources that are metallurgically straightforward."

"The mineralisation identified during the first phase of drilling suggested small vein, high-grade gold occurrences. We don't want to discount the area completely, but feel a quicker cashflow option is still out there."

The company also looked at the Musselroe area, which has a rich history of tin production.

Macquarie Harbour now has both alluvial and hard-rock tin targets and has constructed a five-tonne per hour mobile-gravity processing plant to test zones of mineralisation.

"In these sorts of projects there is no substitute for large samples," Rogers explained. "It simulates what you are going to get out of a plant if you mine it."

Buoyed by promising historical research and high tin prices – \$24,000 per tonne at the end of July 2008 – Macquarie Harbour has set tin targets

Macquarie Harbour managing director Frank Rogers, left, with consulting geologist John Richardson





A Stacpoole Enterprises drilling rig onsite in Tasmania

and applied for permits. In July it begins an auger drilling program next to the original gold and tin mines in Gladstone to be followed by diamond drilling later in the year.

"In one area south of the town, gold and tin are mixed together in the same veins," Rogers added. "Metallurgically, they're quite compatible and there's no problem with the separation process. We also have some tungsten there."

Rogers again emphasised the importance of cashflow to his nascent company.

"We plan to start building a tin production plant next year," he said. "All we're really aiming for at this stage is a plant that can earn us a \$2-3 million a year profit to augment exploration expenditure on the really exciting, larger projects we are chasing."

"It's the money-making potential I'm interested in. Whether it's an openpit gold mine or a tin mine, I don't really care, as long as it funds next year's projects."

One of the likely candidates is a copper-gold intrusive. It has been compared to Tasmania's Mt Lyell mine (311 million tonnes at 0.9% copper, 0.31gpt gold, which has been in operation for around 120 years). Drilling begins on this project in November.

In the same tenement region is an ultramafic structure (Hibbs), a southern extension of the structure that hosts Allegiance, the Avebury nickel deposit to the north (16.27Mt at 0.97% nickel). Nickel and platinum

group metals have been detected along its 30km run.

This adds significant value to the company's activities, particularly considering that the region is yet to be explored systematically using modern technological and exploration techniques.

A third program on the west coast picks up where BHP left off in the 1960s, looking at iron ore lenses.

According to Rogers, four lenses, made up of haematite and magnetite and similar to those of the Savage River mine, had been identified for drilling. One has been previously drilled, recording a grade of 65%.

The company plans to complete a drilling program in the upcoming summer field season with a view to resource definition.

Macquarie Harbour envisions an iron ore operation similar to that of Territory Resources in the Northern Territory, which will produce about 1 million tonnes of iron ore a year.

"This kind of medium-term income producer is a priority target," Rogers said.

These projects aptly reflect Macquarie Harbour's income-generating objective.

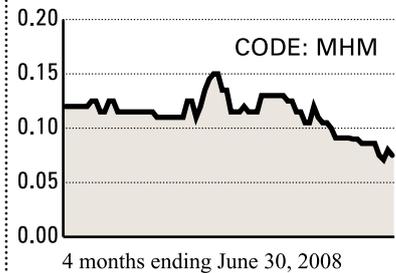
"I lead a strong and experienced management team," he added.

"We have been in the industry too long to overlook the importance of cashflow for securing an enduring place in Tasmania's thriving resource industry."

"Tassie is booming and we plan to make the most of it in every way we can."

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## MACQUARIE HARBOUR MINING AT A GLANCE



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### DIRECTORS

Basil Conti, Frank Rogers  
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### MARKET CAPITALISATION

\$2.5 million (at press time)

### MAJOR SHAREHOLDERS

Rogers Southern 23.64%  
HHH Group Pty 5.64%  
Joseph Psereckis 3.83%  
Mead Developments 3.64%