



MACQUARIE HARBOUR MINING LIMITED  
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30 October 2008

ASX Code: MHM

## Quarterly Report – Activities for the Quarter ended September 30 2008

### Highlights

- **Sorell Silica Project: Off take negotiations continuing**
- **High-grade Iron Ore: Exploration continuing, project partner discussions underway**
- **Gladstone Gold and Tin Project update**
- **Mangana Gold Project update**

### Sorell Silica Project Update

The Company has invested significant time and energy into continuing analysis and financial modeling concerning four areas of high purity quartzite that lie towards the northern tip of Cape Sorell, on the West Coast of Tasmania. Analysis suggests that MHM's silica is ideally suited for the production of silicon, which can be used in a diverse number of high-tech applications including the manufacturing of semi-conductors, solar cells, computer circuitry, and power transmission, among others. Silicon is also used in the aluminium industry as an additive to increase the tensile strength and hardness of the metal.

Due to the high-tech and renewable energy applications of silicon, demand and consequently price has increased significantly in recent years.

During the recent quarter a number of ground reconnaissance activities were conducted over the Sorell Peninsula to facilitate project planning and pre-feasibility processing considerations. The Company has contracted a diamond drill rig to complete a programme during the coming quarter, with a view to resource definition and confirmation of exhaustive analysis conducted by Comalco (now Rio Tinto Aluminium) over the region during the 1970's.

### Double Cove Iron Ore: Exploration continuing, project partner discussions underway

In the recent quarter the Company announced a high-grade iron ore discovery in Tasmania, located within MHM's West Coast exploration area.

During a recent ground reconnaissance a number of surface samples were taken periodically along the approximate five kilometre mineralized structure, which has an estimated average width of 100 metres. Six of the seven samples returned grades between 62 per cent and 69 per cent Fe, with a seventh sample chosen specifically to determine the grades of a sulphide rich section adjacent to the hematite-magnetite structures. That sample returned a grade of 45 per cent Fe with a sulphur content of 3 per cent, whereas all other samples returned sulphur grades of less than 0.03 per cent.

The high grade and relatively low impurity of the ore suggests significant potential for direct shipping ore, and though the samples were taken near-surface the high grade does not appear to be the result of surface enrichment. Together with Tasports, a public/private Tasmanian enterprise, the Company is conducting pre-feasibility of the construction of a port at Pilot Bay at the northern tip of the Sorell Peninsula. MHM has conducted regular consultation with State Government and has received support for the potential development of the project, subject to regulatory process and procedure.

Due to the anticipated expense in progressing the project towards a bankable feasibility, and the likelihood that the Sorell Silica Project or Gold and Tin Projects in north eastern Tasmania could deliver more immediate cash flow to the Company, MHM is in discussions with potential partners for the Double Cove Iron Ore Project. A successful outcome to these negotiations will ensure project development unfettered by the conditions of the global financial markets. These discussions have been held with a number of parties that have an interest in both equity investment and off take of the iron ore. Negotiations are continuing.

The Company has contracted a diamond drill rig to complete an initial programme of drilling to provide information concerning grade and width of the iron ore lenses. The drilling is scheduled to be completed early next year following drilling of the Sorell Silica Project further to the north.

#### **Gladstone Gold and Tin Project Update**

The Gladstone gold-tin prospect continues to be investigated for near surface extractible mineralization. In keeping with the company philosophy of focusing on cash generation the zones of gold and tin mineralization south of the townsite of Gladstone show the most promise for hosting a resource compatible with the company's requirements. It is planned to carry out a diamond drilling program utilizing the newly acquired MHM diamond drill rig on targets recently defined by a ground based geophysical and exploration program.

#### **Mangana Gold Project Update**

The Mangana tenement is being explored for its gold potential. As the first gold find in Tasmania it presents an opportunity to be further developed using modern exploration techniques. MHM is focusing on an open pit gold resource and has conducted field reconnaissance to enable the planning of an exploration program to facilitate this end.

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

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On the web: [www.mhml.com.au](http://www.mhml.com.au)



## macquarieharbour mining

### Macquarie Harbour Mining at a Glance

#### Directors

**Basil A Conti, Non-Executive Chairman**

A CPA with over 35 years experience in corporate governance and management.

**Frank A Rogers, Managing Director**

With forty years experience involving exploration, mining, process development and public company management.

**Benjamin W Mead, Finance Director**

Diverse business consulting experience including international banking and executive management of entities with interests in the aluminium and geothermal industries.

**Dr. Neil Allen, Non-Executive Director**

A mineral physicist with extensive exploration and mineral dressing experience in Tasmania.

**Peter L A Robertson, Non-Executive Director**

A metallurgist with extensive experience in process development and engineering.

**Company Secretary**

Jade A D'Andrilli CPA

**Number of Shareholders at 30 Sept 2008:**

MHM has 510 Shareholders.

**Major Shareholders at 30 Sept 2008:**

Shareholder	%
Rogers Southern PL	23.6
HHH Group PL	5.6
<b>Directors</b>	<b>28.5</b>
<b>Top twenty</b>	<b>55.3</b>

**ASX Listing Code**

The Company's ASX Listing Code for Shares is MHM, and for Options is MHMO.

**Issued Capital**

At 30 September 2008, Macquarie Harbour Mining's issued capital was 54,995,760 ordinary shares, 27,497,885 listed and 2,380,750 unlisted options exercisable at \$0.20 by 31 August 2012.

**Cash Balance**

As at 30 September 2008, Macquarie Harbour Mining's cash balance was approximately \$3.52 million.

**Shareholder Enquiries**

Matters relating to shares held and change of address should be addressed to the share registry:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Tel: +618 9315 2333  
Fax: +618 9315 2233

To receive MHM's announcements by email, please send a request to [info@mhml.com.au](mailto:info@mhml.com.au).

**Website**

Please visit MHM's website for the latest announcements and news:

[www.mhml.com.au](http://www.mhml.com.au)

**Contact Details**

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