



MACQUARIE HARBOUR MINING LIMITED  
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www.mhml.com.au

30 January 2009

ASX Code: MHM

## Quarterly Report - Activities for the Quarter ended December 31<sup>st</sup> 2008

### Highlights

- **Sorell Silica Project: Off take and MOU negotiations continuing**
- **Ongoing discussions with potential investment partners in iron ore, nickel and copper projects**
- **Ongoing exploration of tin and tungsten projects**
- **Continued appraisal of project acquisitions with potential for near-term cashflow: aluminium, tungsten and gold projects**

### 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. There are strong indications that the silica appears to be 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.

During the recent quarter further ground reconnaissance was conducted over the Sorell Peninsula to facilitate project planning and pre-feasibility processing considerations. The Company is continuing off take discussions with a multi-national company interested in the long-term supply of high-purity quartzite. MHM has also recently been approached by other parties interested to explore further the potential of this high-purity quartzite, with its strategic high-tech and renewable energy applications.

### Project investment partnership discussions continuing: Iron ore, nickel and copper projects

Due to the ongoing financial crisis and perceived problems accessing equity markets for subsequent capital raising, a decision has been made to actively seek project investment partners for the Company's iron ore, nickel and copper projects. Interest has been exhibited by a number of parties for both project finance and commodity off take, and capital raising parameters are under continued discussion.

## **Gladstone Gold, Tin and Tungsten Project update**

The Gladstone gold-tin-tungsten prospect continues to be investigated for near surface extractible mineralisation. In keeping with the Company philosophy of focusing on cash generation the zones of gold, tin and tungsten mineralisation south of the townsite of Gladstone in NE Tasmania shows the most promise for hosting a resource compatible with the Company's requirements.

The Company is costing improvements to a recently acquired diamond drill rig that would facilitate helicopter transportation into remote and inaccessible locations, including several target zones in the north east of Tasmania recently defined by a ground based geophysical and exploration programme. With respect to the tin targets, staff are undertaking an analysis of dredging the ore. Regional tin grades are relatively consistent at approximately 0.2 to 0.3% Sn, and a low-cost dredging operation as evidenced in other similar projects is believed to improve the viability of the project. However, at grades such as this the greatest issue appears to be rehabilitation costs and discussions are underway with Mineral Resources Tasmania to determine alternate approaches that would be satisfactory to all stakeholders and render the project viable.

## **Continued appraisal of acquisitions with potential for near-term cashflow: aluminium, tungsten and gold projects**

The current economic climate requires that the Company seek cash producing projects. To that end there has been considerable research into sourcing a project that meets these criteria. The Company's Senior Consulting Geologist is researching companies that don't have the funds to complete the development of mature projects. Further, analysis of projects that could benefit from MHM's significant processing expertise is also ongoing. The emphasis is on gold, tin and tungsten as the development of these three commodities is well within the Company's capacity both technically and financially.

It was recently announced at the Company's Annual General Meeting that MHM was undertaking appraisal of an operating gypsum mine in Victoria. During the due diligence process it was determined that the project returns were marginal and not sufficient to justify the required workload. The opportunity has subsequently been declined.

It was also announced at the recent AGM that the Company is assessing an Aluminium Recovery Project that involves the purchase of an existing facility that processes waste for the primary and secondary aluminium industries together with technology that is proprietary to the business. The Company is carrying out its assessment of the business and preliminary negotiations of conditional pricing, and will update the market on developments in this regard in due course.

## **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.

**Philip Lucas, Non-Executive Director**

A corporate lawyer with over 15 years experience advising ASX- listed resource companies with respect to corporate and governance issues.

**Company Secretary**

Jade A D'Andrilli CPA

**Number of Shareholders at 31 Dec 2008:**

MHM has 510 Shareholders.

**Major Shareholders at 31 Dec 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 31 December 2008, Macquarie Harbour Mining's issued capital was 54,995,760 ordinary shares and 27,497,885 listed options exercisable at \$0.20 by 31 August 2012.

**Cash Balance**

As at 31 December 2008, Macquarie Harbour Mining's cash balance was approximately \$3.14 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)

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