
MHM raises \$3.0 million to aggressively pursue completion of Aluminium Project acquisition

ASX Release – 19 October 2009

Highlights

- Company raises \$3 million through the issue of 15 million shares at \$0.20
- Capital raising will permit MHM to aggressively pursue completion of the Aluminium Salt Slag Recovery Project, which will place the Company in a position of immediate income generation
- Project has anticipated gross revenues at full capacity of \$19.0M per annum with nett profit of \$14.0M per annum
- Production and income expected to commence in Q4 2009, full capacity expected to be achieved Q1 2010
- Significant opportunity to expand business overseas, discussions commenced for two plants to be located in the United States

Overview

Macquarie Harbour Mining Limited (“MHM” or “the Company”) is pleased to announce that it raised \$3 million through the placement of 15 million ordinary shares to Sophisticated Investors. The capital raising, lead-managed by Sonray Corporate Pty Ltd, will permit to Company to aggressively pursue the completion of the Aluminium Salt Slag Project acquisition, which is anticipated within the next month. The funds raised will be cleared within the next ten business days.

The Company is in the final stages of acquiring an existing business, an associated proprietary technology and processing contracts. This is an exciting development for the Company, and will result in income generation commencing in 2009.

Background

Aluminium Salt Slag is a waste stream that results from the recycling of aluminium, a by-product from recyclers that has traditionally been placed in landfill. Due to regulatory changes made by the EPA, this material can no longer be dumped which has presented an immense problem for industry. Without a viable solution the secondary aluminium industry cannot continue to operate using the existing highly-efficient yet waste-generating methodology.

Since 1998, two of the Directors of MHM (Frank Rogers and Peter Robertson) have been working with the aluminium industry to develop a “closed-loop” solution to the Salt Slag waste issue, and have developed a commercially viable process that removes the need for any of the waste to be consigned to landfill. The waste is processed and converted into its primary components being aluminium metal, salt and aluminium oxide, all valuable commodities that can be sold.

Since late 2008, MHM has been negotiating to acquire an existing Salt Slag processing facility, ongoing processing contracts and the exclusive global rights to a proprietary technology that dramatically increases the viability of the process. The Company is please to announce that it is in the final stages of completion.

The Company has also negotiated to acquire a landfill of this material that contains significant volumes of aluminium, salt and aluminium oxide.



macquarieharbour
mining

ABN 41 124 212 175

Corporate Detail

ASX Codes:
MHM, MHMO

Issued Capital:
55.0M Ordinary Shares
27.5M Listed Options

Substantial Shareholders:
Rogers Southern PL 23.6%
HHH Group PL 5.6%
Directors 28.5%
Top Twenty 55.3%

Directors

Chairman
Basil Conti FCA, FCIS,
FTIA

Managing Director
Frank Rogers

Executive Director
Ben Mead B.Econ

Non-Executive Director
P Robertson B.E.(Met),
MBA

Non-Executive Director
Dr Neil Allen B.Sc, PhD

Contact

PO Box 21
KINGSTON TAS 7050

Tel: +61 (0)3 6229 9955

Fax: +61 (0)3 6229 8430

Email: info@mhml.com.au

Web: www.mhml.com.au

Revenue Potential

The processing facility will have an operating capacity of 60,000 tpa and when operating at full capacity the project has a gross revenue potential of \$19.0M per annum, with nett profit potential of \$14.0M per annum.

MHM, through a special purpose operating subsidiary Alreco Pty Ltd, is in the final stages of drafting processing contracts with two parties on mutually agreed terms:

Company One

Supply no less than 6,000 tpa of Aluminium Salt Slag. Alreco receives \$300.00 per tonne of material processed and Company One receives the aluminium metal back at no charge, and is responsible for freight costs. Alreco retains ownership of the salt and aluminium oxide to be sold on the market.

Supply no less than 6,000 tpa of Aluminium Dross. Alreco receives \$200.00 per tonne of material processed and SGM receives all recovered material back at no charge and is responsible for freight costs.

Company Two

Supply no less than 12,000 tpa of Aluminium Salt Slag. Alreco receives \$300.00 per tonne of material processed and Company Two receives metal and salt back at no cost and is responsible for freight costs. Alreco retains ownership of the non-metallic product to be sold on the market.

Salt Slag Landfill

Landfill contains 160,000 tonnes of Aluminium Salt Slag with anticipated metalliferous recovery of at least 16,000 tonnes and recoverable salt of at least 80,000 tonnes.

Landfill will be processed over 5-year period, all recovered material to remain the property of Alreco to be sold on the market.

Opportunities for growth

There is significant opportunity to expand the business overseas, particularly in the United States where in excess of 40-times the volume of Aluminium Salt Slag is produced as compared to Australia. MHM has commenced discussions with an American Company for the construction of two processing plants in the United States, for which there is a keen interest.

Company Comment

Managing Director Frank Rogers stated *"The placement of shares to raise \$3.0 million is an important development for Macquarie Harbour Mining. The acquisition of the Aluminium Salt Slag facility, global rights to the proprietary technology, ongoing processing contracts and significant landfill for re-processing, affords MHM significant profit and cashflow potential. These will be reinvested in the growth of the aluminium division, development of the Silica Project and also to fund our ongoing exploration programmes for gold, nickel, copper and iron ore on our tenements. With significant potential to grow the aluminium division overseas, and immense potential to develop significant mineral projects I am excited to continue to grow this Company and deliver robust returns to our Shareholders."*

For Further Information

For further information please contact Frank Rogers or Ben Mead on +61 (0)3 6229 9955 or at www.mhml.com.au.