



MACQUARIE HARBOUR MINING LIMITED  
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16 November 2009

The Manager  
Company Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sir

#### **Non-renounceable Rights Issue**

Macquarie Harbour Mining Limited ACN 124 212 175 (the **Company**) is pleased to announce that it will be undertaking a fully underwritten, non-renounceable pro rata rights issue (**Rights Issue** or **Offer**) to holders of shares in the Company (**Shareholders**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) as at 5.00 pm (AWDT) on 25 November 2009 (**Record Date**).

Pursuant to the Rights Issue, the Company will issue up to approximately 17.5 million fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.20 each, to raise approximately \$3.5 million (before costs). The issue price represents a discount of 35% to the closing price of \$0.31 for shares in the Company last traded on the Australian Securities Exchange Limited (**ASX**) on 16 November 2009 and a 35% discount to the last 5 day volume weighted average price of \$0.31 in the period to 16 November 2009.

The New Shares will be offered on the basis of 1 New Share for every 4 fully paid ordinary shares (**Shares**) held in the capital of the Company as at the Record Date (**Entitlement**). Entitlements are non-renounceable and therefore rights will not be tradeable on ASX or otherwise. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements they do not take up.

The New Shares will be fully paid and will rank equally with the Company's existing issued Shares. The Company will make an application to the ASX for official quotation of the New Shares.

The number of issued Shares at the date of this notice and the total number of issued Shares at the close of the Offer are as follows:

- Number of Shares currently on issue: 69,995,760

- Maximum number of New Shares to be issued under the Offer\*: 17,499,540
- Maximum number of Shares on issue upon completion of the Offer: 87,495,300

\* Assumes no options that have been issued by the Company are exercised prior to the Record Date.

The Rights Issue is being fully underwritten by Sonray Corporate Pty Ltd (Sonray). Subject to the terms of the underwriting agreement between Sonray and the Company, Sonray will subscribe for all New Shares that are not taken up under the Offer.

The Company will use the proceeds raised by the Offer for working capital, for funding ongoing operations and to meet Offer costs.

#### Proposed timetable

It is proposed that the Rights Issue be conducted according to the following indicative table:

Event	Date
Rights Issue / Offer announced via ASX	16 November 2009
Offer Document lodged with ASX	16 November 2009
Shares quoted on an "ex" basis	19 November 2009
Record Date to identify Shareholders entitled to participate in issue	25 November 2009
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders	27 November 2009
Closing date for acceptance and payment	11 December 2009
Issue of New Shares and despatch of holding statements	17 December 2009
Commencement of trading of New Shares	18 December 2009

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, the Directors of the Company, in conjunction with the underwriter, reserve the right to vary these dates, including the closing date of the Offer, without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, application money will be returned without interest.

Full details of the terms and conditions of the Rights Issue will be contained in the Offer Document to be lodged with the ASX and to be despatched to Eligible Shareholders in accordance with the timetable set out above.

#### Notice under section 708AA of the Corporations Act 2001 (Cth)

The Company provides the following information:

- (a) The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (the Act).

- (b) The Company is providing this notice under s708AA(2)(f) of the Act.
- (c) As at the date of this notice, the Company has complied with:
- (i) the provisions of Chapter 2M of the Act as they apply to the Company;  
and
  - (ii) section 674 of the Act.
- (d) As at the date of this notice, there is no information:
- (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - B. the rights and liabilities attaching to the New Shares.
- (e) If all shareholders of the Company on the record date of 25 November 2009 take up their entitlements under the Rights Issue, then the Rights Issue will have no effect on the control of the Company.
- (f) If the shareholders take up none or only some of their entitlements under the Rights Issue then the Rights Issue will have no effect on control of the Company. The Company has been advised by the Underwriter, Sonray Corporate Pty Ltd, that the issue is sub-underwritten by a number of separate parties, who are not associated with the Company. If no shareholder takes up its entitlement and the sub-underwriters subscribe for all the shortfall shares pursuant to the Rights Issue, the maximum voting power that any sub-underwriter could have post the Offer is 6% of the fully diluted share capital of the Company.

If you have any queries in relation to the Offer please contact the Company Secretary on +61 (0)3 6229 9955.

Yours faithfully



**Ben Mead**  
**Company Secretary**