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# Production Update & Progress Report

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ASX Release – 8 April 2010

## Aluminium Project Update

- Gross revenues to 31 March \$1,636,125
- Plant throughput 6,668 tonnes over 73 days (33,340 tonnes annualised)
- Technology upgrade running to cost and schedule

## Silica Project Update

- Continued negotiation for offtake and new enquiries from additional parties
- Tasmanian political situation not expected to have adverse impact, “business as usual”

## General Exploration

- Concluded VTEM geophysical survey of Tasmanian gold, nickel, copper and iron ore assets

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Macquarie Harbour Mining Limited (MHM or the **Company**) is pleased to announce continued positive development with respect to the Company’s aluminium and mineral divisions.

## Aluminium Project Update

The Aluminium Salt Slag Project, operated by wholly-owned subsidiary Alreco Pty Ltd (**Alreco**), continues to deliver as promised with both gross revenues and plant throughput exceeding expectations. Alreco has delivered gross revenues of \$1,636,125 to 31 March over a 73 day period since production commenced, processing 6,668 tonnes of Aluminium Salt Slag and Aluminium Dross.

On 15 January 2010, Alreco acquired a business that processes Aluminium Salt Slag and Aluminium Dross. Alreco commenced upgrading the processing technology on-site immediately after settlement, and has continued to operate the existing circuit whilst upgrading the technology concurrently. The existing plant will be upgraded to the specifications of a new technology that will greatly increase the efficiency and profitability of the process.

To date, there have been no interruptions to production at the processing facility that can be attributed to the technology upgrade, and throughput tonnage has been increased since Alreco’s acquisition.

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 by the EPA, this material can no longer be disposed in landfill and this has presented a major problem for the industry. Without a viable solution the secondary aluminium industry cannot continue to operate using the existing highly-efficient yet waste-generating processes.

Alreco has processing contracts in place with Alcoa Rolled Products Pty Ltd (Alcoa), a division of Alcoa Inc (NYSE:AA), and Sims Aluminium Pty Ltd (Sims), a division of Sims Metal Management (ASX:SGM). With these contracts, Alreco processes all of the Aluminium Salt Slag that is produced in Australia. Alreco is advancing a number of opportunities for overseas expansion of the business expected to commence in 2011.



macquarieharbour  
mining

ABN 41 124 212 175

## Corporate Detail

**ASX Codes:**  
MHM, MHMO

**Issued Capital:**  
87.5M Ordinary Shares  
27.5M Listed Options

**Substantial Shareholders:**  
Rogers Southern PL 12.34%  
Directors 14.7%  
Top Twenty 31.8%

## 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

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## **Silica Project Update**

As recently announced, MHM continues to entertain interest from a number of parties for offtake of high-purity silica. Subsequent to the 16 March 2010 ASX announcement, MHM has received additional new enquiries for silica offtake.

The Company continues to progress discussions that involve proponents for the development of a Tasmanian silicon smelter, together with interest for exported silica to supply existing and proposed silicon smelters offshore. MHM has implemented a development program for a targeted production of 80,000 tpa of high-purity silica by the end of 2010.

Tasmanian state elections (House of Assembly) were held on 20 March but due to the closeness of results the final formation of Government is still not known. Regardless of final outcomes, it will be business as usual for MHM as it continues to implement its exploration agenda.

With respect to the establishment of a silicon smelter in Tasmania, all three major political parties including the Tasmanian Greens have previously been briefed on this concept and MHM looks forward to working closely with the newly formed Government to develop this exciting opportunity for Tasmania.

## **General Exploration Update**

A helicopter-borne geophysical survey (VTEM) was completed in mid March over a vast area of the Company's exploration licenses in Western Tasmania. The survey was designed to locate conductive targets within prospective ground holding gold, copper, nickel and iron ore targets.

Discreet, conductive targets may sometimes be associated with sulphide minerals that are either commercially significant or associated with commercially significant minerals.

The survey completed 1,404 line km of high resolution VTEM divided over 6 blocks throughout each of MHM's West Coast Tasmanian tenements. The data is currently being processed by the Company's geophysical consultants and early indications are that several anomalies will require field follow-up.

## **Further Information**

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

*This version of the announcement corrects an earlier release containing errors regarding Alreco's gross revenues and plant throughput to 31 March*