
Aluminium Project Update

ASX Release – 25 November 2010

US Expansion

- Directors return from United States highly encouraged after meetings and site visits with Smelter Service Corporation and Alcoa Inc.
- Tennessee State and local county officials express strong support for salt slag business expansion
- Number of large single purpose (mono-fill) landfills identified to be investigated for reprocessing. Also identified material from regional producers that may be viable as feedstock for a centralised processing facility
- Executive Director Ben Mead to relocate to Tennessee in January to drive expansion of salt slag business
- Pilot testing of the Spent Pot Lining technology likely in Tennessee due to the proactive and supportive approach of the State and local governments
- Meetings with hedge funds, investment houses and brokers in New York, further roadshow planned in early 2011

Australian Operations

- Council approval for salt ponds still outstanding. Meetings to be held on week ending 26 November to try to determine timeline for approval
- Large sections of the process commissioned and exceeding expectations. Full commissioning once salt ponds approval and construction completed
- Salt ponds construction expected to take 3-4 weeks after approval granted

The directors of Macquarie Harbour Mining Limited (ASX:MHM) have made progress in US salt slag processing planning after working on-site in the US with Smelter Service Corporation, Alcoa and key regulatory officials. Objectives were achieved to facilitate project planning both for the feasibility study with Smelter Service Corp and more generally to assess regional and national opportunities in the US. There were also continuing contract discussions for salt slag processing and meeting State and local regulatory officials in Tennessee who can assist in MHM developing salt slag processing facilities in the US.

It is believed that a number of additional sources of salt slag in the region may provide further feedstock for what would become America's first closed-loop salt slag processing facility. A number of large single-purpose (mono-fill) landfills have also been identified which are now earmarked for further investigation.

While landfilling salt slag continues in the US, MHM's technology is expected to recover substantial value from landfill and feedstock sources. MHM believes an economic incentive will result in the cessation of salt slag landfilling in the US, regardless of the regulatory position.

Executive Director Ben Mead will relocate to Tennessee early January 2010 to drive the expansion of the salt slag business by completing the feasibility study with Smelter Service Corp by the end of June 2011 and continuing assessments of other regional and national salt slag processing opportunities.



macquarieharbour
mining

ABN 41 124 212 175

Corporate Detail

ASX Codes:
MHM, MHMO

Issued Capital:
100.0M Ordinary Shares
27.4M Listed Options

Substantial Shareholders:
Rogers Southern PL 10.4%
Directors 12.7%
Top Twenty 30.3%

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),
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Pilot testing of the Spent Pot Lining Technology under development will most likely occur in Tennessee due to the proactive and supportive approach of the State and local government officials.

Executive Director Ben Mead also held a number of meetings in New York with hedge funds, investment houses and brokers to build awareness and support for the roll out of the new processing technology. A further roadshow is planned early in 2011.

With respect to the Australian operations, approval for the construction of the salt evaporation ponds is still outstanding, and meetings have been scheduled this week to try to determine an accurate timeframe for completion of this process. Once approval is granted the ponds will take 3-4 weeks to construct.

The Moolap technology upgrade is otherwise well advanced and on budget. Large sections of the plant have been commissioned and performance of these sections has exceeded expectations. Final commissioning of the closed-loop process will not be possible until the evaporation ponds are operational.

Management does not expect any issues associated with final commissioning of the closed-loop technology.

Aluminium Salt Slag Project Background

Macquarie Harbour Mining Limited (ASX:MHM), through wholly-owned operating subsidiary Alreco Pty Ltd, owns the exclusive global rights to a proprietary technology for the processing of aluminium salt slag, a waste product from the aluminium industry.

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 Australia 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.

In most western countries the landfilling of salt slag is no longer permitted, however in the United States the material may still be disposed this way. Alreco's technology can recover substantial value from the commodities contained within the salt slag such that it is believed an economic incentive will result in the cessation of salt slag landfilling in the US, regardless of the regulatory position.

Alreco's proprietary technology, the ALNAK technology, processes salt slag and separates it into its individual components of aluminium metal (10-20%), aluminium oxide (30-40%) and a salt and potassium chloride blend (50%). The technology results in total waste treatment and production of aluminium and other saleable products. The technology removes the need for any portion of the salt slag to be sent to landfill.

The ALNAK technology has significant environmental benefits including;

- reduced energy consumption. The energy used in recycling aluminium recovered from salt slag is 95% less than the energy required to produce aluminium from bauxite ore
- recycling of salt, potash and aluminium oxide; all valuable commodities that were previously consigned to landfill
- less hazardous materials in landfills

Alreco processes all of the Aluminium salt slag produced in Australia under contracts with Alcoa Australia Rolled Products Pty Ltd, a wholly-owned subsidiary of Alcoa, Inc. (NYSE:AA), and Sims Aluminium Pty Ltd, a wholly-owned subsidiary of Sims Metal Management Limited (ASX:SGM). Alreco also processes other wastes for Sims including non-salt slag and aluminium dross.

Alreco also has a program to progressively process previously landfilled salt slag to recover the valuable commodities. The first landfill that will be reprocessed is owned by Alcoa and contains 160,000 tonnes of salt slag.

There is significant potential to expand the business overseas with opportunities under consideration in the US, Canada, Europe and South Africa. Alcoa Inc. has publically stated that by 2015 the company intends to end landfilling of aluminium salt slag throughout its global operations.

Alreco has signed an agreement with US-based Smelter Service Corporation to conduct a feasibility study into the construction of America's first closed-loop salt slag processing facility. Smelter Service Corp produces approximately 90,000 tonnes of salt slag per annum and has a 350,000 tonne single-purpose (mono-fill) landfill that appears to be suitable for reprocessing. It is also believed there are additional sources of salt slag in the region.

Further Information

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