
Aluminium Project Update

ASX Release – 15 September 2010



macquarieharbour
mining

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Aluminium Project Update

- Gross revenues for July 2010 of \$521,648
- Gross revenues for August 2010 of \$511,824
- Technology upgrade well advanced and on budget
- No further landfilling of partly-processed Salt Slag
- Negotiations for USA expansion positive and strengthening

The Aluminium Salt Slag Project, operated by wholly-owned subsidiary Alreco Pty Ltd (**Alreco**), continues to deliver robust revenues during the technology upgrade, with gross revenues of \$521,648 and \$511,824 for July and August respectively.

The technology upgrade is well advanced and running to budget. There is still some variability concerning the exact date of the completion of the upgrade, as final council approval is outstanding regarding the completion of the salt evaporation ponds. Final approval is not expected to be an issue, as salt evaporation ponds have been operated in the area by Cheetham Salt since 1888. However, though the timing of any final approval remains at the council's discretion, it is still anticipated that commissioning of the technology upgrade will occur during October 2010.

The Company's Quarterly Activities Report for June 2010 included detail of extraordinary, once-off expenses incurred by Alreco associated with landfilling partly processed Salt Slag. Since 30 June 2010 there has been no further landfilling of partly processed Salt Slag, and no further landfilling is anticipated moving forward.

The Company's negotiations with smelters in the United States are ongoing and strengthening, with a number of parties now positively engaged in discussions for Salt Slag processing. Senior representatives of Alcoa, Inc (USA) will be visiting the Alreco operation during October with a view to furthering discussions for operations in the United States.

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 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'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.

Corporate Detail

ASX Codes:
MHM, MHMO

Issued Capital:
87.5M Ordinary Shares
27.5M Listed Options

Substantial Shareholders:
Rogers Southern PL 12.4%
Directors 14.7%
Top Twenty 30.7%

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
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The ALNAK technology has significant environmental benefits including;

- reduced energy consumption; the energy used in the recycling of 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
- avoidance of hazardous material in landfills

Alreco processes all of the Aluminium Salt Slag produced in Australia, under contracts with Alcoa Australia Rolled Products Pty Ltd (**Alcoa**), a wholly-owned subsidiary of Alcoa, Inc. (NYSE:AA), and Sims Aluminium Pty Ltd (**Sims**), 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 USA, Canada, Europe and South Africa. Alcoa, Inc. has publically stated that by 2015 the company wishes to end the landfilling of aluminium Salt Slag throughout their global operations. Alreco and Alcoa, Inc. are in discussions for Alreco to be Alcoa's global partner to assist in achieving this goal, and Alreco has also engaged other American aluminium companies concerning Salt Slag processing.

Further Information

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