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ASX Code: MHM

High-grade iron ore discovery in Tasmania Samples up to 69.3% Fe

Highlights

- High-grade iron ore mineralisation, surface samples up to 69.3% Fe
- Hematite-Magnetite mineralisation, direct shipping ore potential
- Mineralised structure extends more than five kilometers
- Preliminary off take discussions underway with Asia Pacific buyers

26 August 2008: Macquarie Harbour Mining Limited (ASX: **MHM**) has surface sampling results showing iron content up to 69 per cent from recent ground reconnaissance of the Company's 100 per cent-owned Birthday Bay Iron Ore Project in western Tasmania.

Seven samples were taken at periodic intervals along iron lenses that extend for some five kilometres. Based on field observations and geophysical analysis, the lenses appear to be of approximately 100 metres average width. The surface sample results confirm grades well above the range of typical hematite-magnetite deposits which normally have 20-40 per cent Fe. This new find suggests high potential for iron ore of direct shipping grade.

The results from the surface samples at Birthday Bay are:

Sample ID	Iron (Fe) Grade
WC0001	66.2%
WC0002	68.6%
WC0003	68.0%
WC0004	62.0%
WC0005	69.3%
WC0006	68.5%
WC0007	45.1%

Sample WC0007 was selected specifically to determine the grades of a sulphide rich section adjacent to the hematite-magnetite structures. The sample returned an Fe grade of 45.1 per cent with a sulphur content of 3 per cent, whereas all the other samples returned sulphur grades of less than 0.03 per cent.

The Company recently engaged a drilling contractor to conduct a drilling program over the upcoming summer field season. MHM will drill 2500m between November and January, to be followed by a further 2500m drilling program of MHM's adjacent porphyry copper-gold target at Thomas Creek.

Managing Director Frank Rogers comments *"This is an extremely important new Tasmanian discovery. It supports our longstanding belief that MHM's west coast Tasmanian exploration area will support world-class mineral deposits. The Company is investigating several sites for the development of port facilities south of Macquarie Harbour that could facilitate transport of iron ore. I am confident that we will establish an enduring mining centre in the region."*

"The Company has already commenced iron ore off take discussions with buyers in the Asia Pacific region."

Enquiries

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Joe Booth, a Member of The Australian Institute of Mining and Metallurgy. Mr Booth is a fulltime employee of the Company and has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Booth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



About Macquarie Harbour Mining Limited

Macquarie Harbour Mining Limited (MHM) holds strategically placed tenements in two of Tasmania's historic and most productive mining regions. In the north east MHM is targeting gold and alluvial tin mineralisation for early income potential for further exploration expenditure. On Tasmania's west coast MHM has a diverse range of mineral targets including iron ore, copper, gold, nickel, zinc and lead. The company is targeting mineralisation of a style similar to the renowned Mt Lyell, Rosebery, Hellyer, Henty and Avebury mines.

Gladstone Gold Project (north east): The MHM Gladstone exploration license has the potential to host significant and under-explored gold mineralisation. The tenement area contains five old gold mines that fall along a 10 km strike length. Many of these mines closed while still producing gold due to problems with excess water and sulphide-hosted ore. These problems can now be overcome. Reported grades have been as high as 90 g/t.

Musselroe Tin Project (north east): The Musselroe tin project targets the potential for significant alluvial tin deposits throughout the Musselroe region. A historic tin mining region, early explorers were limited by technology and processing techniques though historic reported grades have been as high as 11.6 kg/m³. MHM believes the region has major potential as an early and ongoing income producing project.

Sorell Silica Project: High-grade quartzite silica mineralisation that has significant potential for the generation of income over the medium term. Off-take agreements are under negotiation.

Thomas Creek Copper Gold Project (west coast): The Thomas Creek area indicates porphyry copper-gold mineralisation of a similar style to Mt Lyell. The Thomas Creek project presents a priority target.

Hibbs Nickel Gold PGM & Birchs Polymetallic Project (west coast): The Hibbs & Birchs project areas contain several significant sub-projects including a 30 km ultramafic structure that hosts a nickel sulphide mineralisation. This is of a similar style to the Allegiance Avebury deposit to the north, gold, chromium and platinum group metal occurrences, and potential VHMS and porphyry-style mineralisation.

Double Cove Copper Gold Nickel Zinc & Iron Ore Project (west coast): The Double Cove exploration licence holds a number of highly prospective priority targets that include iron ore (hematite-magnetite) mineralisation and identified copper, gold, zinc and nickel occurrences.

Strahan Nickel Zinc Project (west coast): The Strahan project will explore both extensions to the known nickel sulphide mineralisation to the south of Macquarie Harbour and a 25 km strike of the highly prospective Mt Read Volcanics encompassed by the tenement area. This tenement forms an integral part of the MHM's strategy in exploring the west coast of Tasmania.

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