

MINERAL HOLDINGS AUSTRALIA PTY LIMITED

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16th April 2009.

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Mr. John Hawkins,
Committee Secretary
Senate Select Committee on Climate Policy
P O Box 6100
PARLIAMENT HOUSE.
CANBERRA ACT 2600

Dear Mr. Hawkins,

**PRECAMBRIAN CRYPTO-CRYSTALLINE CARBONATE ORES
TOTAL AREA 700 SQ KMS , NEAR SEABOARD, NORTH WEST TASMANIA
ESTIMATED 2,000,000,000 TONNES**

Further to my discussions with your Secretary, I alert you to the increasing interest and attractive factors expressed by other companies to use less energy and recovery CO₂ when calcining carbonates.

The development of our carbonate ores will be accelerated by their unique physical structure and lower cost calcine-ability and low Sovereign risk location. The proposed Federal Government carbon credits policy is targeted to encourage "new technology" to reduce CO₂ and other impurities that are presently released into the atmosphere.

Our "higher grade" crypto-crystalline non-decrepitating carbonate ores already achieve some of these targets as they are vertically calcine-able with around 1% fines decrepitation and consuming much less energy.

Only vertical calcining of carbonates can ensure the economic recovery of CO₂. The processing of the recovered CO₂ by pyrolysis to yield 50% of bio-fuels [Syngas] and 50% biochar (charcoal) is very interesting and also other R & D research conversion project developments.

Overall the economies achieved of our Precambrian crypto-crystalline marbleised carbonates of limestone, dolomitic limestone and dolomite and Tertiary limestone ores are very substantial indeed and worthy of your review for supply to industry:

- A. Mining our higher grade crypto-crystalline carbonate ore saves energy and assures a higher yield of CaCO_3 and CaO .
- B. Our carbonates are practically overburden free.
- C. Our marble-ised ore with reduced crushing costs give a higher yield and practically dust free.
- D. Less transport costs to calciners near resource.
- E. Less energy cost to calcine as crypto-crystalline ore decrepitates only 1% to dead burning
- F. The vertical calcining of crypto-crystalline ore consumes much less energy than rotary or fluid bed calcining.
- G. Very low impurities of sulphur, phosphorus and silica ensure less impurities in the products calcined or smelted and less impurities are released into the atmosphere.
- H. The economic recovery of CO_2 for proposed carbon credits depicted to be from A\$25 to A\$80 per tonne.
- I. The 50% Freight Equalisation discount on Tasmanian containerised cargo ensures lower ore or product sea freight costs if in containers to all States. The scheme needs to be extended to cover all bulk ore shipments of unique crypto-crystalline higher grade carbonates that are more economical to mine and environmentally friendly.
- J. Periodic lower cost back-bulk freight cargoes are achievable on iron ore, alumina and other shipments presently traversing Bass Strait in water ballast when returning to their loading terminals.
- K. Furthermore the current very low world sea-freight rates should continue for many years.
- L. The deposits are very well located near seaboard, have low environmental loading problems as the marble-ised ore can be handled "dust free".
- M. There is a full infrastructure, experienced labour, natural gas near site, and hydro and thermal Bass Link electricity freely available all at competitive world prices. The Port Latta bulk loader (110,000 tonne capacity with loading capacity of 2000 tph and the bulk Port of Burnie (50,000 tonnes). Both with bulk storage area alongside the loaders enabling early shipment.
- N. As vertical calciners are around one quarter the capital cost of rotary calciners the conversion to vertical would ensure further economies of less energy and accelerate furnace throughput and the economic recovery of CO_2 .
- O. If the ores are calcined near site, the sea freight on calcined product would be 50% less.
- P. Lower green house gas emissions and better technology to process will ensure further Government grants and concessions.
- Q. We advise successful tests by Nippon Steel Company and others proved our Tasmanian higher grade crypto-crystalline dolomitic limestone with 10% MgCO_3 with a single calcination to be ideal as a flux for the sinter.

Many steel companies operate a much more costly separate double calcining process at different temperatures for limestone and dolomite and then blend them for the sinter.

Only vertical calciners ensure the economic recovery of CO_2 for conversion by pyrolysis to bio-fuel (Syngas) and biochar (charcoal) or sequestration or other R & D projects to earn CO_2 credits.

I await further details of the Government's proposed new incentives to recover CO₂ including accelerated depreciation ensuring the early development of these unique crypto-crystalline carbonates, considered rare by many world companies. We plan to target them for the huge Australian and Pacific Rim markets.

We have further geological reports and core analysis available to substantiate should you so desire.

Awaiting your further guidance and review of this unique carbonate resource.

Kind regards,



NEIL M. THOMAS,
CHAIRMAN.

NB: You will note the Australian article of 24th January 2009 relating to Malcolm Turnbull's TV policy announcement on the 26th January 2009 on processing CO₂ by new pyrolysis technology to produce 50% of bio-fuels (Syngas) and 50% biochar (charcoal).

NNB: Attached is a copy of a letter sent to Geoscience Australia on the 3rd April 2009. To my surprise they replied they have no knowledge of crypto or macro crystalline deposits in Australia.

Copy Mr. C. Calver

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3rd April 2009.

Tel: 02 6249 9111
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The Director,
Geoscience Australia.
GPO Box 378,
CANBERRA ACT 2601

Dear Sir,

My company Mineral Holdings Australia Pty. Ltd. has exploration rights to large areas of Precambrian Limestone, dolomite and dolomitic limestone in North- Western Tasmania. The material is very pure and is hard, compact and cryptocrystalline in nature.

This is extremely important point as most carbonate rocks are coarsely recrystallised marbles, which can only be burnt in horizontal or rotary kilns as the crystals tend to decrepitate and break down during heating. On the other hand it is only the hard dense cryptocrystalline carbonates that can withstand the rigors of calcining in vertical kilns.

This too is important, as with the likely introduction of carbon taxes and credits in the near future, CO² can only be trapped and collected from vertical kilns and is simply lost to the atmosphere with the use of horizontal rotary kilns. Vertical kilns are in fact one quarter the capital cost to build need less energy to run and it is only the availability of poorer quality and lower grade materials close to the end use site that make horizontal rotary kilns economically viable at the present time.

This will change with the introduction of carbon credits or taxes. Half the weight of limestone/dolomite is CO². It will be very expensive to waste this to the atmosphere so that cryptocrystalline ores capable of being used in vertical kilns will become a premium product. (how much so will depend on the level of carbon taxes).

Vertical Kilns will also become important as :-

- The CO² can be converted to syngas and used in the heating process
- The heating process is much more efficient in a vertical kiln

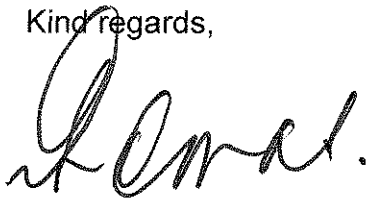
- Less heat is required in a vertical kiln and therefore still less CO² is produced
- The Tasmanian carbonates are very pure and less heat will be required (and less CO² produced) on heating waste impurities.

With the introduction of carbon taxes it may well prove cheaper to calcine the carbonates in Tasmania and ship the burnt material to the end use sites rather than continue with much less efficient local rotary kilns.

I have had considerable correspondence with Government Ministers, with Opposition Shadow Ministers and with Peter Cook of the CO²/ CRC (copy attached) . All are supportive and have offered to assist in any way they can.

To this end it is important for me to know just how many of the carbonates in Australia are in fact cryptocrystalline like my Tasmanian resources. I have reviewed most of the limestone and dolomite resource studies published by the State Geological Surveys but very little is mentioned about the denseness or crystal-inity of the deposits. Does the Commonwealth have anything in its data bases on limestone and dolomite as to whether any other Australian deposits are cryptocrystalline in nature?

Kind regards,



NEIL M. THOMAS,
CHAIRMAN.

Attach.

29 September 2008

Mr Neil Thomas
Chairman
Mineral Holdings Australia Pty Limited
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A
9/2/10

RECEIVED - 2 OCT 2008

Dear Mr Thomas

Thank you for the various documents you have sent to me and the telephone calls you have made regarding your cryptocrystalline limestone deposit in Tasmania.

This clearly is a very interesting and potentially very important deposit and you are to be congratulated on your persistence in moving forward on this resource opportunity.

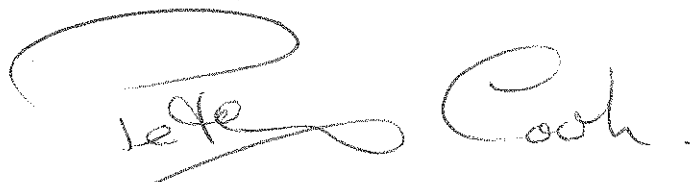
CO2CRC has carefully considered how it might be able to add value to your endeavours, but have concluded that at the present time it does not fit with our primary focus, which is on geological storage of carbon dioxide.

Our impression is that for the moment, without a clear pricing signal for carbon, companies are reluctant to change their ways of "doing business" or go to the expense of introducing new technologies.

However, as I indicated to you, I would be pleased to be a referee for your proposal for government assistance for this important and intriguing deposit.

My best wishes to you in taking this opportunity forward.

Yours sincerely



Peter J Cook
Chief Executive
CO2CRC

Turnbull turns up ETS heat

"AUSTRALIAN" 24/1/09
Matthew Franklin
Chief political correspondent

MALCOLM Turnbull will today attempt to trump Kevin Rudd on climate change by unveiling a multi-pronged carbon emissions reduction policy promising extra spending on alternative energy sources, mass forestry plantings and research into storing carbon in soil.

And the Opposition Leader will attack the Prime Minister for being so preoccupied with his planned emissions trading scheme that he has done nothing else on climate change other than ratify the Kyoto Protocol soon after his election in late 2007.

Mr Turnbull's first major policy announcement since he ousted Brendan Nelson from the Liberal Party leadership in September will come in a speech today to a Young Liberals convention in Canberra.

"The Rudd Government, in its haste to implement its poorly designed ETS, has neglected all alternative paths to a low-carbon economy," says a copy of Mr Turnbull's speech.

"We need imagination, we need passion, we need courage and, above all, we need real leadership.

"We cannot afford to blunder on with Mr Rudd's miserable, bureaucratic approach."

Mr Turnbull's plans, for which he will not provide costings, represent a clear attempt to counter Labor attacks on the Coalition's refusal to commit its

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changes in agricultural practices are gigantic.

The Opposition Leader also wants to fast-track the development of "biochar" technology, under which green farm waste is heated in the absence of oxygen in a process called pyrolysis.

It turns half of the material into bio-fuels that can be used to generate clean electricity, and the

INSIDE

Malcolm Turnbull's climate change speech is audacious "look-over-there"

politics. Sidestepping the tricky issue of the emissions trading scheme, he's talking about a far grander plan

Lenore Taylor — Page 6



support to the planned ETS, which has dominated Mr Rudd's agenda for the past year.

The Government believes that creating a trading scheme to put a price on carbon will encourage polluters to reduce emissions and encourage investment in alternative energy sources, including those being proposed by Mr Turnbull.

But Mr Turnbull, who was environment minister in the Howard government, will today continue to reserve his position on the detail of the ETS, pending completion of the Coalition's assessment of the Government's white paper.

And Mr Turnbull will accuse Mr Rudd of attempting, as a political tactic, to portray the Coalition's acceptance or otherwise of the detail of Mr Rudd's ETS as a test of belief in climate change. Mr Turnbull will criticise Mr Rudd for ignoring a range of other means to slash emissions

remainder into charcoal called biochar.

"Biochar is then returned to the soil, which dramatically increases agricultural productivity," he will say. "We will invest in our own land and at the same time offer the world an example of how real, practical action can be taken in the battle against global warming in the here and now.

"The reduction in emissions will be well beyond those pro-

while creating new jobs and boosting agriculture.

"An ETS is not an end to itself," Mr Turnbull will argue. "It's only part of the solution — one tool in the climate policy tool box and, in fact, no solution at all without new energy sources and new low-emissions technology.

"Our Green Carbon Initiative will ensure Australia is able to achieve greater reductions in carbon dioxide than those proposed by Mr Rudd, at relatively low cost and with enormous additional benefits to our own country's environment."

In recent months, the Government has attacked the Opposition as "including climate change deniers" who refuse to accept that human activities are behind global warming.

But Mr Turnbull will assert that action on climate change is not a matter of belief or non-belief in the science but a wise exercise in risk-management.

He believes his proposals would cut annual emissions by at least 150 million tonnes.

The measures include creation of the Green Carbon Initiative to offset greenhouse gases by capturing carbon and storing it in the soil by using improved farming practices.

He will argue that large quantities of soil carbon are lost to the atmosphere because of conventional cropping methods that leave soil exposed for long periods, and that the opportunities for carbon abatement through

Continued — Page 6

posed by the unimaginative, bureaucratic white paper of Mr Rudd. They will bring greater environmental benefits and they will be more cost-effective."

Mr Turnbull also proposes mass tree-planting to absorb emissions.

The move could upset the Nationals, who last year split with the Liberals in the Senate to oppose the creation of tax breaks for investment in forestry carbon sinks, arguing forests will be