



## ASX Announcement

17 February 2016

### SMALL SHARE PARCEL BUY-BACK FACILITY

MHM Metals Limited (the Company) is pleased to announce a buy-back facility through which it will offer to acquire the holdings of Shareholders who hold less than a marketable parcel of shares in the Company as at 5.00pm WST on 16 February 2016 (Record Date) for \$0.033 (3.3 cents) per share.

All shares acquired by the Company pursuant to the buy-back will be cancelled.

A “marketable parcel of shares” is any holding of shares in MHM valued at not less than \$500. A “Small Parcel” is any holding of shares less than a marketable parcel. At the Company’s current share price of \$0.03 (3 cents), a Small Parcel is therefore a holding of less than (16,667) shares.

Through the buy-back facility, holders of Small Parcels will have an opportunity to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic (noting that any taxation consequences from the buy-back will remain the responsibility of shareholders).

Similarly, as a result of maintaining a register with a large number of Small Parcels the Company incurs additional administrative costs, such as share registry and shareholder communication costs.

Over the last 12 months, the Company’s shares have traded at a high of \$0.033 (3.3 cents), the price at which the Company has decided to buy-back the Small Parcels.

The Company will send the attached letter to all shareholders who hold a Small Parcel as at the Record Date.

**END**

**For more information:**

MHM Metals Limited  
Joseph van den Elsen, Managing Director: +61 3 9692 7222

#### **Company Snapshot**

#### **Capital Structure**

Ordinary shares on issue:	141,119,156
Market Cap (at 3c):	\$4,233,575
Cash (as at 17 Feb. 16):	c\$8,000,000

#### **Directors**

Joseph van den Elsen (Managing Director)  
Paul Kopejtko (Non-Executive Chairman)  
Chris Goodman (Non-Executive Director)

#### **Company Secretary**

Justin Mouchacca



17 February 2016

Dear Shareholder

**Offer by MHM Metals Limited to buy-back small parcels of shares (Offer)**

As announced on 17 February 2016, MHM Metals Limited (MHM or the Company) intends to complete a share buy-back of small parcels (being a holding of less than a 'marketable parcel' as defined in the Listing Rules of the Australian Securities Exchange) of shares in MHM as at the Record Date of 5pm (WST) 16 February 2016 (Record Date).

The directors of MHM recognise that holders of MHM shares with a value of \$500 or less may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with small parcels, the directors have resolved to undertake a buy-back of small parcels of MHM shares at a price of \$0.033 per share under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the Corporations Act 2001 (Cth) (Buy-Back).

On the basis of the Company's current share price and the register of members of the Company as at the Record Date:

- 1,307 out of 2,028 shareholders hold a small parcel; and
- The aggregate value of the ordinary shares held by all holders of small parcels is \$209,662.

Shares purchased by the Company under the Buy-Back will be cancelled.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is not considered to be a 'marketable parcel' of shares (or otherwise referred to in this letter as a small parcel). Based on the Company's current share price of \$0.03 per share, a small parcel of shares is any shareholding of 16,667 shares or less. Our share registry shows that on the Record Date the number of shares held by you or an entity that is associated with you is a small parcel, which makes you an eligible shareholder.

Over the last 12 months, the Company's shares have traded at a high of 3.3c, the price at which the Company has decided to buy-back the small parcels.

It is important to note that small parcels may still be able to be traded on the market and the market price of MHM shares will change from time to time. The price offered under the Buy-Back may be more or less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your MHM shares are brought back. The Company will not buy-back your shares if you wish to retain your shareholdings.

**Your choices:**

1. If you would like the Company to purchase your small parcel of shares at \$0.033 per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
  - a. complete the enclosed Retention Notice and return it to the Company's Share Registry by no later than 5pm (WST) 29 March 2016 (Closing Time); or
  - b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional MHM shares on market such that your registered holding at the Closing Time is greater than 16,667 shares.

You are advised to allow reasonable time for the Retention Notice to be received by the Company's Share Registry. If you hold shares in multiple holdings, some of which are small parcels, then the Company will purchase each small parcel unless the Retention Notice is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company on Thursday, 7 April 2016.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with the sale of your shares under the Buy-Back, any taxation consequences arising for the sale of a small parcel under the Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of small parcels under the Buy-Back.

Below is an indicative timetable for the buy-back of the small parcels:

Record date	Tuesday, 16 February 2016
Closing Time:	Tuesday, 29 March 2016
Remittance of proceeds	Thursday, 7 April 2016

If you require further information in respect of the Buy-Back, please contact the Company on 03 9692 7222.

For and on behalf of the Board



Justin Mouchacca  
Company Secretary

# MHM METALS LIMITED

ABN: 41 124 212 175

## NOTICE OF RETENTION OF SHARES

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Record Date: 16 February 2016

HIN/SRN: «Holder\_type»«Holder\_number»  
Unmarketable Holding: «**Securities\_1\_**»

The Directors

### IMPORTANT NOTICE

Please complete this form if you **do not** wish your Shares in MHM METALS LIMITED to be purchased by the Company. If you do not understand this notice you should immediately consult your financial advisor.

I/we wish to retain my/our shareholding in the Company and hereby advise the Company that the buyback is not to apply to my/our shares.

### Signatures(s)

Individual/Security holder 1

Security holder 2

Security holder 3

Sole Director & Sole Company Secretary

Director/Company Secretary

Director

Dated: ...../...../ .....

### Daytime Telephone Number

### PLEASE RETURN THIS NOTICE TO THE COMPANY'S SHARE REGISTRY:

SECURITY TRANSFER REGISTRARS PTY LTD

### Delivery:

770 Canning Highway  
APPLECROSS WA 6153

### Post:

PO BOX 535  
APPLECROSS WA 6953

Facsimile: (08) 9315 2233  
Telephone: (08) 9315 2333

### Notes:

1. If you wish to retain your shareholding in the Company, please sign this notice in the space provided and return it to the Company's share registry **by 5:00pm WST 29 March 2016.**
2. Notice in respect of a corporation must be executed in accordance with the constitution of that corporation.
3. Notices signed under power of attorney or by the executor of an estate must be accompanied by a copy of that power or letters of administration, as the case may be, unless previously lodged for noting.
4. In the case of holdings held by two or more persons, all holders must sign.
5. Please provide your daytime telephone number so we can contact you if there are any problems with your Notice of Retention.

**THIS NOTICE OF RETENTION MUST BE RECEIVED BY THE COMPANY'S SHARE REGISTRY  
BY NO LATER THAN 5.00PM WST ON 29 MARCH 2016**