



ASX Announcement

24 February 2016

UPDATE ON PROPOSED BRIGHTSTAR GOLD PROJECT JOINT VENTURE

MHM Metals Limited (ASX: MHM) provides the following update further to the ASX announcement released on 11 January 2016 with respect to the Binding Heads of Agreement entered into with Stone Resources Australia Limited (SHK) to develop the Brightstar Gold Project located in the Laverton region of Western Australia.

MHM and SHK are continuing to advance the joint venture transaction, including by way of:

- due diligence investigations;
- negotiations to finalise and execute a Formal Agreement to document the joint venture transaction; and
- finalisation of the project implementation schedule.

MHM expects to provide a further update to the market by no later than 4 March 2016.

The transaction is conditional upon MHM completing due diligence to its satisfaction and obtaining all necessary shareholder and regulatory approvals. MHM notes that it intends to seek shareholder approval of the transaction under Listing Rule 11.1.2 and that ASX may require further regulatory approvals such as re-compliance with the admission requirements under Listing Rule 11.1.3.

MHM will keep the market informed as it moves towards finalisation of the transaction and of its ongoing discussions with ASX.

-ENDS

For more information:

MHM Metals Limited
Joseph van den Elsen +61 (0) 421 849 433

Company Snapshot

Capital Structure

Ordinary shares on issue:	141,119,156
Market Cap (at 2.7c):	\$3,810,217
Cash (22 Feb 2016):	c\$8,000,000

Directors

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

Company Secretary

Justin Mouchacca