



ASX Announcement

16 December 2016

RESPONSE TO PROPOSED TAKEOVER BY MERCANTILE INVESTMENT COMPANY LTD

MHM Metals Limited (**MHM** or the **Company**) (ASX:MHM) refers to the unsolicited proposed off market takeover offer announced by Mercantile Investment Company Ltd (ASX: MVT or Mercantile) on December 15, 2016.

The Board has reviewed and responded to Mercantile's correspondence in relation to the proposed offer and will further advise the market in the event a formal offer is forthcoming.

The Board notes there is no certainty that the proposed offer will result in a formal offer or what the terms of any such offer would be.

The Board advises shareholders do not need to take any action until they and the Board have had an opportunity to consider a formal offer.

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For more information:

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Capital Structure

Ordinary shares on issue: 136,228,616