

ALUMINIUM PROGRESS REPORT

ASX Release – 25 March 2011



AUSTRALIAN ALUMINIUM UPDATE

- Salt pond construction underway
- Approval of Cultural Heritage Management Plan for alternate site
- On target for April plant commissioning

US ALUMINIUM UPDATE

- US expansion progressing positively
- Landfill testing program underway
- MHM close to determining site for plant construction
- Engineering and permitting consultants appointed
- Progressing discussions for government financial support, together with low interest financing initiatives for the project

Salt Pond Construction

On the 3rd March 2011, MHM received planning approval for the development of brine storage ponds for a site on Hays Road, Moolap, Victoria. The approved site is owned by MHM CEO Frank Rogers, which has been made available to MHM to construct the ponds.

The closed-loop landfill-free technology for which MHM has exclusive global rights produces three valuable commodities. One is a blended salt brine solution that requires evaporation. Evaporation ponds are one way of recovering the salts.

MHM plans to use the intended new ponds for an initial period but to be followed by installation of an instant salt crystallisation system. This system will recover over 120 million litres of water each year from the Geelong operations. Instant salt crystallisation systems also enable MHM to establish salt slag processing facilities at sites where solar evaporation is not viable.

As part of the pond construction process there was a requirement for MHM to provide amended documentation showing piping and overflow drainage details, together with an Environmental Management Plan. These have been completed and finalised.

Site surveying, fence removal and other preparatory work have also been completed. All permitting and approvals are in place.

MHM has purchased piping and pumps for the brine pipeline and has commenced preliminary works. The Company remains on target for an April plant commissioning.

ASX Codes:

MHM, MHMO

Issued Capital:

101.2M Ordinary Shares
26.5M Listed Options

Substantial Shareholders:

Rogers Southern PL 10.4%
Directors 12.7%
Top Twenty 30.3%

Directors:

Chairman
Basil Conti FCA, FCIS, FTIA

Managing Director
Frank Rogers

Executive Director
Ben Mead B.Econ

Non-Executive Director
Dr Neil Allen B.Sc, PhD

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Approvals at Alternate Brine Pond Location

In accordance with the requirements of the Aboriginal Heritage Act 2006, a Cultural Heritage Management Plan has been successfully completed and approved at 91-99 Hays Road, Moolap. This nine-hectare property is owned by Alcoa, and has been leased to MHM for \$1 per year. This site was the original planned location for the construction of salt ponds, however conflicting advice from council led to approvals being sought, and granted, at the alternate site owned by Frank Rogers.

The Cultural Heritage Management Plan involved an archaeological investigation of the potential Aboriginal cultural heritage values of the site, and involved consultation with the local Aboriginal community in the form of the Wathaurung Aboriginal Corporation, and statutory authorities including Aboriginal Affairs Victoria.

The recent approval of this plan satisfies our legal requirements regarding Aboriginal cultural heritage issues, and paves the way for future works to proceed at the site if required.

US Expansion Update

MHM's expansion into the United States is progressing well and activities to date are extremely positive. MHM and Smelter Service Corporation (SSC) have entered a contract concerning the testing program of SSC's 350,000 tonne salt cake mono-fill. This testing program is designed to determine the recoverable portion of salt slag, together with grades of aluminium, salt and aluminium oxide. The program has commenced, and MHM has dug a series of trenches across the landfill with works ongoing. It is too early to make conclusions as to the economics of landfill recovery, though much aluminium and salt has been sourced at the site. The recovered samples will be sent for testing.

The relationship with SSC is continuing to strengthen, and MHM is confident that both companies share the common goal of a closed-loop secondary aluminium industry that incorporates salt cake recycling.

CEO Frank Rogers has just returned from a two-week visit to the United States, where a series of meetings were held with a number of potential salt cake suppliers. Discussions are ongoing. MHM is also drawing close to making the determination of a suitable site for construction of the first plant, and has engaged engineering and environmental permitting consultants. MHM has also engaged with senior government officials to discuss support for the project, together with discussions with experts concerning grants, concessions and available low interest financing incentives for the business.

MHM remains committed to commencing construction of the first US salt cake recycling facility by mid-2011, and sees no reason why this would not be achievable.

Investor Relations

Ben Mead will be returning to Australia during April 2010 for a series of investor roadshows, scheduled to coincide with completion of the upgrade of Australian operations. The roadshow will visit Perth, Adelaide, Melbourne, Sydney, Brisbane, Gold Coast, Geelong and Hobart, and is primarily driven by the desire to introduce new institutional and retail investors to the MHM business, whilst continuing to strengthen existing relationships.

Following the Australian roadshow, a similar program is planned for the US investment community.

Further information:

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IMAGES FROM THE COMMENCEMENT OF LANDFILL TESTING: MT. PLEASANT, TENNESSEE



Earthworks commence at SSC landfill



Salt slag showing lumps of recoverable aluminium



Aluminium and salt recovered by hand