

MIYABI GOLD PROJECT RELINQUISHMENT

ASX Release – 30 March 2011



- MHM completes metallurgical analysis of Miyabi Gold Project (Tanzania)
- Test work results from metallurgical studies confirm to MHM that the Project does not meet MHM's investment criteria and accordingly MHM has decided not to proceed with its proposed acquisition of a 75% interest in the Project from African Eagle

In May 2010, MHM Metals entered into a letter of intent ('Letter of Intent') with AIM and JSE listed African Eagle Resources PLC ('African Eagle') to acquire 75% of African Eagle's equity interest in the Miyabi Gold Project, located in Tanzania ('Project').

MHM engaged SRK Consulting (U.K.) to conduct a pre-feasibility study on the Project, and engaged Mintek of South Africa to conduct metallurgical test work of drill core and RC drill cuttings from previous drill programs.

SRK provided MHM with an indicative mining cost analysis based on resource estimates and preliminary metallurgical studies completed by African Eagle in August 2010. The pre-feasibility study was put on hold while more detailed metallurgical test work was completed, to allow for more definitive process modelling.

The metallurgical studies included chemical analyses, leach optimisation tests, carbon absorption tests and ball mill work index analysis.

During the exclusivity period under the Letter of Intent and whilst metallurgical studies were ongoing the Board of MHM received a confidential expression of interest from another ASX listed company ('Acquirer') to acquire MHM's rights to the Project, irrespective of the outcome of the test results.

Test Results from the metallurgical studies indicated that Miyabi gold recoveries did not meet MHM's investment criteria. As a result of this, together with MHM's primary focus on the company's global expansion of its aluminium business, the decision was made to discontinue the pre-feasibility study on the Project. The total cost of the studies was AUD \$41,000.

MHM and the Acquirer had been in ongoing contract discussions seeking to finalise and formalise certain key terms. As the final contract documents have not been forthcoming, MHM's Board has resolved to cease discussions with the Acquirer and not proceed with the proposed acquisition contemplated by the Letter of Intent with African Eagle.

Whilst discussions with the Acquirer did not require any material time or expenditure from management, MHM believes it is prudent to cease any further discussions with respect to the Project and continue to focus on MHM's core business.

Further information:

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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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