

COMMISSIONING OF NEW ALUMINIUM PLANT & COMMENCEMENT OF SILICA DRILLING

ASX Release – 4 May 2011



- Commissioning of new plant for Australian closed-loop salt slag operations
- Throughput increasing to 60,000 tonnes per annum in next quarter
- Landfill test program well advanced for US operations
- Important steps in global expansion of MHM's aluminium business
- Commencement of drilling program at Cape Sorell high purity silica project

AUSTRALIAN ALUMINIUM OPERATIONS RAMP-UP

MHM's is pleased to announce the commissioning at the Company's salt slag processing facility, located near Geelong, Victoria.

Aluminium salt slag is a by-product from the secondary aluminium industry, which is produced when aluminium scrap is re-melted. The trend of western world regulators including the Australian EPA has been to cease providing permits for this practice due to the hazardous nature of the material.

MHM's technology yields significant environmental and economic benefits including the elimination of salt slag landfill. The MHM technology separates the salt slag into its individual components of aluminium metal, aluminium oxide, and a salt and potassium chloride blend. All of these commodities have commercial values and the process results in no residues or by-products needing disposal.

MHM holds perpetual exclusive global rights to this technology.

MHM acquired the Geelong facility from Sims Aluminium in January 2010. Since that time MHM has built a new salt slag processing plant, an aluminium dross processing plant, and an aluminium oxide processing plant on this site. The dross plant has been operating since January this year and both the salt slag and aluminium oxide plants are now in the commissioning phase with production planned for June this year.

MHM processes 100 per cent of the salt slag produced in Australia under a contract with a subsidiary of Alcoa Inc. Additionally the Geelong facility processes aluminium dross and non-salt slags for Sims Metal Management Limited. The facility will ramp-up to processing 60,000 tonnes per annum early in the 3rd quarter 2011 processing material received from Alcoa and Sims, and through the reprocessing the Alcoa salt slag landfill. The salt slag landfill process will recover aluminium, aluminium oxide and salts, and upon completion will be returned to pasture.

MHM recently expanded its salt slag processing business to the United States where over 1,000,000 tonnes of salt slag is produced each year. Though landfill is still permitted under certain conditions, the US aluminium industry has unsuccessfully attempted for some time to cease salt slag landfill. MHM also plans to pursue its program of salt slag landfill reclamation into the United States, and is well advanced in testing a 350,000 tonne salt slag landfill for reprocessing.

CORPORATE DETAIL

ASX Codes:

MHM, MHMO

Issued Capital:

101.4M Ordinary Shares

26.3M Listed Options

Substantial Shareholders:

Rogers Southern PL 10%

Directors 13%

Top Twenty 21%

Directors:

Chairman – Basil Conti

Managing Director – Frank Rogers

Executive Director – Ben Mead

Executive Director – Simon Wells

Non-Exec Director – Dr Neil Allen

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SILICA PROJECT DRILLING COMMENCES

MHM has commenced drilling one of the company's high purity silica deposits, located at Cape Sorell on Tasmania's west coast. The drilling program, initially seven holes, will test extensions of high purity silica at depth.

MHM has been engaged with a number of entities interested in establishing a silicon smelter in Tasmania. MHM is also in discussions with companies wishing to secure high purity silica off-take for existing smelters around the world.

Further information:

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