

# FIRST US PROCESSING CONTRACT

ASX Release – 4 November 2011



MHM Metals Limited (ASX:MHM) has secured its first overseas processing contract for the supply of feedstock to MHM's first US salt slag and black dross processing facility. The five year contract has been structured as a tolling arrangement, where a fixed price per tonne is charged to the customer with MHM returning aluminium and flux to the customer while retaining ownership of recovered aluminium oxide.

This is a significant development for MHM, marking a milestone in the global expansion of the company's aluminium waste recycling technology.

Due to the dynamics of the US aluminium industry, the details of the contract must remain confidential and MHM must refrain from revealing the counterparty or contract terms.

Further companies that engage contractually with MHM will likely also require contract information and company names to remain confidential prior to commencement of operations at MHM's first US plant. A number of US aluminium companies accepting the MHM solution may experience reduced or denied landfill access or large landfill cost increases if identified as contracting with MHM. This is particularly problematic in the period between contracting for waste recycling and commencement of MHM's operations.

Due to contractual limitations MHM also cannot reveal tonnages to be processed. However the completion of this contract provides sufficient volume for MHM to commence with US plant construction. There will likely be a number of confidential contracts entered on these terms and MHM intends to later provide overall contracted supply volumes. The anticipated throughput of the first US plant remains 200,000-250,000 tonnes per annum.

This supply contract is subject to a satisfactory visit by the US aluminium company to MHM's Australian operations in the near future. The contract also contains clauses that permit the contract counterparty to cancel the contract should information as to its identity become public prior to commencement of MHM's US operations.

MHM continues to engage with a number of other companies with substantial salt slag and black dross volumes and management is working diligently to secure additional processing contracts in the near future.

## FURTHER INFORMATION:

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**ASX Codes:**  
MHM, MHMO

**Issued Capital:**  
102.3M Ordinary Shares  
25.4M Listed Options

**Substantial Shareholders:**  
Rogers Southern PL 10%  
Directors 13%  
Top Twenty 23%

**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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