

# ADDITIONAL US PROCESSING CONTRACT

ASX Release – 10 November 2011



MHM Metals Limited (ASX:MHM) has secured an additional processing contract for the supply of feedstock to the planned US salt slag and black dross processing facility. The twelve month contract has been structured as a 'tipping' arrangement, where MHM assumes ownership of recovered aluminium, salt flux and aluminium oxide. The contract provides a mechanism for the parties to explore a tolling arrangement where the customer retains ownership of recovered aluminium and salt flux, on the basis of demonstrated recoveries.

Following MHM's announcement of the first supply contract on 4 November, this additional contract is an immensely positive development for MHM, demonstrating continued progression in the global expansion of the company's aluminium waste recycling technology.

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

Subsequent companies that engage contractually with MHM may also require contract information and company names to remain confidential prior to commencement of MHM's US operations. 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. MHM intends to later provide overall contracted supply volumes when it can be done so in a manner that provides no risk for identification of the underlying counterparties. The anticipated processing capacity of the first US plant remains 200,000-250,000 tonnes per annum.

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.

Site due diligence continues to progress well, and MHM remains on track to complete the land acquisition at the end of January subject to finalisation of government incentives and concluding environmental due diligence. Phase one of the environmental study of the property has not identified any issues of concern, and the testing is being conducted as part of a standard approach applied with any US property acquisition.

MHM is working to finalise the date for a press conference, anticipated to be held together with senior government officials, during which details of the property purchase and availability of government incentives and support for the project will be released. Whilst the government incentives must be formally approved, MHM remains confident that the environmental and economic benefits of MHM's business, and the positive impacts upon the sustainability of the aluminium industry, will herald significant support from government. MHM hopes to conduct this press conference as soon as possible, in the coming weeks.

## 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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