

US Property Settlement

ASX Release – 2 February 2012

MHM Metals Limited (ASX:MHM) is pleased to announce the settlement of a property purchase contract over a 115-acre industrial site in Russellville, Kentucky. The property is the planned location for construction of MHM's first US salt cake and black dross recycling facility.

The final settlement figure of \$838,761 was funded from MHM's existing cash reserves. The company is in the process of finalising process plant design and costing, with a number of existing buildings on site expected to decrease both time and expense of plant construction. The site is zoned correctly for its purpose.

After assessing over 30 sites throughout the middle Tennessee and southern Kentucky region, the Russellville site is the preferred location for plant construction. Factors included:

- Identification of in excess of 350,000 tonnes per annum of salt slag and black dross within an economic radius of the plant site
- Government support and incentives, not only financial but also the pro-business environment in Logan County
- A highly skilled local workforce and availability of workers
- Availability of rail along the property boundary
- Availability of ample electricity supplies to the property for initial and future requirements

The large land-holding provides ample opportunity for MHM to grow, and to accommodate additional associated technologies under development.



ASX Codes
MHM, MHMO

Issued Capital
104.0M Ordinary Shares
24.1M Listed Options

Substantial Shareholders
Rogers Southern PL 10%
Directors 13%
Top Twenty 34%

Directors
Chairman – Basil Conti
Managing Director – Frank Rogers
Executive Director – Ben Mead
Executive Director – Simon Wells
Non-Exec Director – Dr Neil Allen

Contact:
PO Box 21
KINGSTON TAS 7051

T: +61 (0)3 6229 9955
F: +61 (0)3 6229 8430
W: www.mhmmetals.com
E: info@mhmmetals.com

ABN: 41 124 212 175

Additional Plant Location Opportunities

MHM continues to engage with a number of companies with operations in north eastern United States and south eastern Canada to assess further salt slag and black dross recycling opportunities. A substantial volume of material has been identified in this region as well as companies supportive of MHM's business that recognise the imperative to cease landfilling. Management's primary focus in the US continues to be on the construction of the Russellville Kentucky facility, although with its high growth objectives the company is assessing other compelling site alternatives.

FURTHER INFORMATION:

Rudi Michelson
Monsoon Communications
+61 (0)3 9620 3333