

MHM – further Geelong plant performance information

ASX Release – 2 April 2012



AUSTRALIAN SALT CAKE PROCESSING OPERATIONS

Following numerous shareholder inquiries relating to the MHM Metals Limited (ASX:MHM) update lodged on Friday, the company reaffirms that:

1. Alreco's (MHM subsidiary) Geelong facility is successfully processing all salt cake delivered to site and stockpiles are reducing. The technology is working and daily throughputs continue to increase.
2. Processing challenges caused by the partly processed material generating larger volumes of gas than expected will be addressed through the implementation of production refinements. The first stage of this installation has already been completed and is in production today. A report on its effectiveness of stage one will be forwarded to the ASX in the near future. During this process the plant will continue to run as normal, processing all material delivered to site and reducing current stockpiles of partly processed salt cake. It is expected that these changes will not only allow increased production at the Geelong Plant but will also result in reduced capital and operating costs for the US Plant.
3. As previously advised, when reprocessing the stockpile of partly processed salt cake is completed, Alreco will commence processing Alcoa's 160,000 tonne salt cake landfill. When landfill processing commences Alreco's earnings are expected to increase to the forecast \$8 million EBITDA per annum. Geelong plant EBITDA forecast remains unchanged.
4. It is important that Shareholders remain mindful of the magnitude of MHM's achievements to date. The profitable production of AL80, MHM's aluminium oxide product, is a world-first and will have significant implications for the global aluminium industry. Further, MHM's salt cake processing technology will revolutionise the US aluminium industry and bring change to long-standing practices of landfilling salt cake. This change will be driven by MHM, not increased regulation.

ASX Codes
MHM, MHMO

Issued Capital
104.1M Ordinary Shares
23.9M 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

FURTHER INFORMATION:

Rudi Michelson
Monsoon Communications
+61 (0)3 9620 3333
rudim@monsoon.com.au