

# MHM Australian Operations Progress Report

ASX Release – 18 April 2012



MHM Metals Limited (ASX:MHM) is pleased to confirm that a recently announced trial of small changes to its salt cake recycling process have been very successful and will be adopted universally by the company.

Further to the ASX announcement of 2 April, MHM's Australian operating subsidiary Alreco Pty Ltd had been experiencing processing challenges when recycling partly processed salt cake.

The issues have now been rectified by production refinements. The first stage of implementing refinements has been completed and has effectively addressed the issues. This change largely relates to the manner material is moved around the plant and will now be replicated in other areas of the processing facility.

While the refinements are being implemented the plant will continue to run as normal and process all material delivered to site and reduce stockpiles of partly processed salt cake. When all changes are implemented production at the Geelong Plant will operate at the previously advised capacity of 60,000 tpa.

While these changes were driven by materials handling requirements of the partly-processed salt cake, management will also implement this new method in the United States. This is expected to result in reduced capital and operating costs for MHM's US-based salt cake recycling plants. Management is working urgently to confirm the capital cost of the US facility to determine facility funding. It is believed that these production refinements and other site-specific measures could reduce the capital cost of the Russellville, Kentucky facility to significantly below the previously estimated US\$25 million budget.

## FURTHER INFORMATION:

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

**ASX Codes**  
MHM, MHMO

**Issued Capital**  
104.4M Ordinary Shares  
23.7M 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](http://www.mhmmetals.com)  
E: [info@mhmmetals.com](mailto:info@mhmmetals.com)

ABN: 41 124 212 175