# MHM Signs Major US Supply Agreement

ASX Release – 25 June 2012

- MHM secures its fourth United States salt cake/black dross supply contract and the most important contract so far
- Coordinated public relations campaign expected to introduce MHM to significant number and variety of new investors
- New contract demonstrates that industry is continuing to embrace MHM's initiative
- Continuing engagement with other US aluminium companies with a view to securing additional contracts

MHM Metals Limited (ASX:MHM) has signed a major US agreement for the supply of feedstock to MHM's planned salt cake and black dross recycling facility in Russellville, Kentucky.

This is MHM's fourth and most important US supply agreement. MHM continues to engage with additional producers of salt cake and black dross in its goal to secure further supply contracts for what is expected to be the first of a number of processing facilities in the US. The first facility, to be built in Russellville, Kentucky will be the only closed-loop salt cake and black dross recycling facility in the US. MHM's processing activities provide a cost competitive alternative to landfill, and provide the industry with an exciting opportunity to cease landfilling these products and adopt MHM's process as industry best practice.

This fourth contract has been structured for an initial 12 month term. The parties will work on a cooperative and transparent basis to share the recoveries of aluminium, salt/potash flux and aluminium oxides from MHM's recycling process. These recoveries during the initial 12 months are intended to form the basis of a longer-term agreement between the companies. Other contract information cannot be disclosed for commercial reasons.

The parties are working on a coordinated public relations campaign and until the campaign begins the identity of the counterparty must remain confidential. The public relations campaign will begin with a joint announcement followed by a US-centric public relations campaign. Shareholders should be aware that the US entity is driving the timeframe. The public relations campaign is expected to introduce the MHM story to a significant number and variety of new investors.

The completion of this contract illustrates continued progression of MHM's expansion into the US. This follows last week's announcement of a ten-year offtake of AL80, MHM's aluminium oxide product, from it's Australian facility and a Letter of Intent to purchase all US-produced AL80 also.

**FURTHER INFORMATION:**

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**ASX Codes**
MHM, MHMO

**Issued Capital**
105.4M Ordinary Shares
22.8M 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 – Phil Thick

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**About MHM Metals**

MHM's core business centres around its exclusive global rights to a technology for recycling aluminium industry wastes known as salt cake and black dross. The technology is efficiently and profitably used at its Geelong facility, processing all Australia's salt cake and black dross.

With increasing global consciousness of negative environmental impacts, the global aluminium industry is under legislative pressures to reduce aluminium wastes discarded into landfills. MHM is confident that its cost competitive alternative to landfilling and its 'closed loop' recycling process will become the global standard for salt cake and black dross recycling.

MHM is currently developing its second processing facility in Kentucky as part of its foothold in the US market.

MHM is also in the process of divesting a business division concerned with silica extraction, silicon smelting and high purity silica flour production.

For more information of MHM's business please visit www.mhmmetals.com