



MHM Metals Limited
ABN 41 124 212 175
PO Box 21
KINGSTON TAS 7051
Telephone 03 6229 9955
Facsimile 03 6229 8430
www.mhmmetals.com

25 July 2012

ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via e-lodgment

**LETTER TO SHAREHOLDERS – NOTICE OF EXPIRY OF LISTED OPTIONS – 31
AUGUST 2012**

Please find attached a copy of a letter sent to the Company's shareholders on 24 July 2012 in respect of the above.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Annabelle Brooks'.

Annabelle Brooks
Company Secretary
MHM Metals Limited



MHM Metals Limited
ABN 41 124 212 175
REGISTERED OFFICE
Level 1, 20 Kings Park Road
West Perth WA 6005
www.mhmmetals.com

24 July 2012

Dear Option Holder,

YOUR OPTIONS TO ACQUIRE MHM METALS LIMITED SHARES AT \$.020 PER SHARE EXPIRE ON 31 AUGUST 2012

We are writing to you as a registered holder of 31 August 2012 options in MHM Metals Limited to remind you that the options will expire at 5.00 pm (WST) on 31 August 2012.

Your option holding may be exercised in whole or in part by payment of \$0.20 for each option by no later than 31 August 2012. If payment is not received by 5.00 pm (WST) on 31 August 2012, the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- (a) Exercise the options on or before 31 August 2012;
- (b) Sell your options. Quotation of the options will cease at the close of trading on 24 August 2012.
- (c) Do nothing (ie allow your options to expire). If you do not exercise or sell your options they will expire on 31 August 2012 and your right to subscribe for ordinary shares in MHM Metals Limited at \$0.20 per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Securities Exchange (ASX) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in MHM Metals Limited on ASX was \$0.40 on 23 July 2012 being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- The highest market sale price of ordinary shares on ASX was \$0.635 cents on 26 June 2012; and
- The lowest market sale price of ordinary shares on ASX was \$0.370 cents on 23 July 2012.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form enclosed with this notice and forward it together with payment of \$0.20 per option exercised to be received no later than 5.00 pm (WST) on 31 August 2012 to the Company's share registry, being:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR 770 Canning Highway
APPLECROSS WA 6153

Cheques should be made payable to "MHM Metals Limited" in Australian dollars only and should be crossed "Not Negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233 or email registrar@securitytransfer.com.au

Yours faithfully,

Annabelle Brooks
Company Secretary
MHM Metals Limited