

Company Update

ASX Release – 27 August 2012

Operations

During last week the Geelong plant processed 580 tonnes of salt slag. This gives three consecutive weeks in the range of 500-600 tonnes average per week. This is approximately double what has been averaged previously. The plant is now regularly processing 200 tonnes in a 24-hour period.

The total weekly production rate has been restricted however, by bottlenecks that have only occurred since the increase in plant throughput. The fines that are produced at these rates cannot be fully processed by the current filter press. These fines were previously fed back into the system and this worked well at lower processing rates. Currently after two days of continuous running, the build-up of fines results in the process being interrupted. This is both inefficient and expensive due to the down time and the double handling required.

We are currently sourcing a larger filter press and aim to install it with additional conveyors to remove this bottleneck over the next couple of weeks. We plan to continue processing at the current rates during that period, which is well in excess of received tonnages.

US Customers

MHM has been updating its US customers on the revised timeframes for commissioning of the Russellville facility. All four customers have indicated that they remain fully supportive of the project and committed to working with MHM to that new timeline. MHM recently announced a proposed joint PR campaign with a major US customer and as expected, in light of the new timeframes for commissioning, the coordinated public statement will also be deferred.

FURTHER INFORMATION:

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ASX Codes
MHM, MHMO

Issued Capital
118.4 Ordinary Shares
11.0 Listed Options

Substantial Shareholders
Brazil Farming Pty Ltd 8.82%
Rogers Southern PL 10%
Directors 13%
Top Twenty 34%

Directors
Chairman - Basil Conti
Managing Director – Phil Thick
Executive Director - Ben Mead
Executive Director - Simon Wells

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