

# MHM Board/Management Changes and Update

ASX Release – 15 February 2013

## **Board and Management Changes**

MHM Metals Limited (ASX:MHM) announces that Paul Lappin has resigned from the Board effective immediately due to other ongoing commitments. MHM thanks Paul for stepping into the chairman role at short notice and leading the company through a period of major change.

MHM is pleased to announce the appointment of Iain Kirkwood to the Board effective immediately. Iain is a Melbourne-based company director who brings vast experience to the Board from similar size companies. Many of these have undergone turnarounds not unlike the changes MHM is experiencing.

Iain runs a private advisory/consulting practice specialising exclusively in the area of life sciences and technology start up ventures, capital raising, IPOs and strategic and restructuring projects. He has significant board room experience both as a former senior executive in publically listed companies and is non-executive director of four publically listed companies. Iain is chairman of Bluechip Ltd (ASX:BCT); chairman Avexa Ltd (ASX:AVX); non-executive director and chair of Audit & Risk Committee of Medical Developments International Ltd (ASX:MVP); and non-executive director and chair of Audit & Risk Management Committee of Vision Eye Institute Ltd (ASX:VEI). Iain has extensive experience in finance including senior finance positions with companies such as Woodside Petroleum, Santos, Pilkington Australasia and FH Faulding & Co.

MHM is delighted to welcome Iain to the Board.

Current Non-Executive Director Lyn Brazil will take over as Chairman effective immediately.

MHM also advises that the current managing director and CEO Phil Thick will finish this role at the end of March as he plans to take up a new role as CEO of a substantial Perth based company in April. He will remain on the MHM Board as a non-executive director.

Phil joined the Board of MHM in May 2012 and took over as MD and CEO two months later. Phil remained in Perth due to family and other commitments and commuted to Geelong frequently over this time. MHM would ideally be served with a CEO based permanently at Moolap to devote all energies and attentions to improving core operations.

The closure of other offices, staff reductions and substantial overhead cost reductions have been completed along with the move of the MHM head office to the Moolap plant and the employment of local Geelong management staff to run the business. MHM thanks Phil for his profound role in executing changes to take MHM from a tenuous position to moving the company toward a much more solid footing going forward.

MHM is also pleased to announce the appointment of Robert McAlister as CEO from 2 April 2013. Robert has already commenced full time with MHM at Moolap. Robert will be paid a salary of \$200,000 per annum, inclusive of superannuation. He has taken immediate control of day-to-day operations and is working alongside Phil as part of the handover. Phil remains responsible for closing out a number of current negotiations including the new Alcoa agreements.

Robert is a Queenslanders but has relocated to Geelong for this role. He has extensive experience in both private and listed companies as Chairman, Director and managing director, with a lot of focus on manufacturing businesses, particularly foundries. Robert has been involved in a number of significant turnaround operations as well as mergers and acquisitions. Robert has worked for CMI Industrial for the last seven years and has headed Toowoomba Metal Technologies more recently. Robert was the founder and managing director of listed Crevet Limited for 20 years.

MHM welcomes Robert to the company.

### **Company Update**

MHM continues to make steady positive progress with the Moolap plant with processed tonnes becoming much more consistent and stoppages and breakdowns substantially reduced. A number of new options are being assessed for NMP (non-metallic product) sale or disposal including many samples and tests. MHM is increasingly confident that a short term solution will be soon found and this will give us time to pursue longer term solutions of greater value.

Negotiations with Alcoa for new contracts from March are progressing and there is strong co-operation from both parties to put in place new agreements that meet Alcoa's needs in terms of cost management and processing requirements and returning Alreco to a cash positive position.

The purchase and shipping of the filter press remains on hold pending the outcomes of the NMP and Alcoa negotiations. MHM has this week received \$894,000 refund from the ATO for R&D allowance for 2011/12 and this leaves the cash position at the beginning of this week at \$5.1 million.

### **For further information contact**

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