



ASX Announcement

For immediate release

Wednesday 24 June 2015

COMPANY UPDATE AND BOARD CHANGES

MHM Metals (ASX: MHM) is pleased to provide the following Company Update:

Legal

On the 19th of June 2015 in the Federal Court of Australia, Justice Middleton heard MHM Metals' application that Frank Rogers, on behalf of Rogers Southern Pty Ltd, be compelled to execute a Power Of Attorney in MHM Metals' favour, as Ordered by Justice Beach of the Federal Court of Australia on 25 May 2015.

Justice Middleton granted MHM's application and ordered that Frank Rogers sign the Power Of Attorney within 7 days, which subsequently occurred on the 22nd of June.

The Power Of Attorney provides MHM authority to sell a vessel currently moored in Corfu, Greece which it will now seek to do as a matter of priority.

Business Development

The Company continues to assess new business opportunities in the Resources sector; capable of becoming it's primary undertaking.

Since the last Company Update on May 25, 2015, MHM has conducted initial Due Diligence, including site visits, on a total of 4 projects.

These projects have comprised of Base Metals and Coal opportunities and are located in Peru and Colombia.

The Company remains confident it is well placed to execute a transaction in the near term which unlocks shareholder value and will keep shareholders informed of all material developments.

Board and Management Changes

Resignation of CEO/Managing Director

The Company's CEO and Managing Director, Matthew Keen has today tendered his resignation as Chief Executive Officer and Managing Director, which the Board has reluctantly accepted, in order to accept a new role.

Company Snapshot

Capital Structure

Ordinary shares on issue:	130,218,145
Market Cap (at 1.7c):	\$2,213,708
Cash (as at 31 Mar 2015):	\$2,236,000

Directors

Joseph van den Elsen (Non-exec Chairman)
Matthew Keen (Managing Director)
Paul Kopejtka (Non-exec Director)
Chris Goodman (Non-exec Director)

Company Secretary

Justin Mouchacca

The company appreciates Mr. Keen's commitment to continue in the role until the end of July 2015, in order to ensure a smooth transition and handover to the incoming CEO/MD.

Chairman Joseph van den Elsen commented "on behalf of the Board, I would like to sincerely thank Matthew for his outstanding contribution over the past two years. Matthew's leadership, commitment and hard work have ensured MHM remains a going concern and in a position to pursue a new strategic direction and undertaking. Under Matt's leadership, MHM has made significant progress towards the disposal of the company's legacy stockpiles and at the same time seen out the Alcoa contract, at all times cognisant of the company's social and commercial responsibilities and in contact with the EPA. The company has also successfully pursued and obtained an award against a former Managing Director for misappropriation of company funds".

Under the terms of Matt's employment contract, he is due a \$75,000 AUD bonus and in recognition of the company's limited financial resources and its capacity to reinvent itself in a value accretive manner, via the acquisition of a new undertaking, he has agreed to accept a share based bonus payment, which remains subject to shareholder approval.

Appointment of CEO/Managing Director

MHM's board of directors has appointed the current Chairman Joseph van den Elsen as the Company's CEO and Managing Director, effective 1 July 2015. Joseph and the departing CEO/Managing Director will jointly hold the position until Mr. Keen's departure on July 31.

Mr. van den Elsen is the Company's 3rd largest shareholder and has served on board since December 2014. Joseph currently resides in Bogota, Colombia and will resign from his position as an Executive Director with Hampshire Mining, a private Colombian Coal Project Development Company, a position he has held for the last 3 years, in order to focus on MHM's acquisition of a new undertaking and corporate transformation.

It is anticipated that Mr. van den Elsen will relocate to the jurisdiction in which the company acquires its main undertaking.

Mr. Joseph van den Elsen will be engaged by way of a Consultancy Agreement at an annual, all inclusive cash cost of \$225,000 AUD, a significant discount to the current CEO/Managing Director Total Cash Employment Cost.

The engagement is for an initial term of 2 years and continues thereafter on an ongoing, indefinite basis, at all times subject to either party's right to terminate by giving 3 months notice. MHM may pay 3 months remuneration in lieu of all or part of the notice period.

Upon acquiring a new undertaking, the Company will seek shareholder approval for a director and employee share scheme which more closely aligns their interests with those of shareholders. Subject to shareholder approval, Mr. van den Elsen would be eligible to participate in the director and employee share scheme.

Appointment of a Non – Executive Chairman

In the interests of building out a solid Corporate Governance framework, Mr van den Elsen has stepped down as Non-executive Chairman effective 1 July 2015.

Current independent, Non-executive Director Paul Kopejtka will assume the role of Chairman effective 1 July 2015.

Incoming Chairman Paul Kopejtka commented, "the Company remains committed and focused on delivering shareholder value through the acquisition of a new undertaking and looks forward to participating in the corporate transformation of MHM".

END

For more information:

MHM Metals Limited: +61 3 5240 8999

MHM Metals Limited ABN 41 124 212 175

Registered Office: 80 Buckley Grove, Moolap, VIC 3221 | Tel: 03 5240 8999 | Fax: 03 5248 3498 | E: info@mhmmetals.com | www.mhmmetals.com