

ALUMINIUM DIVISION UPDATE

ASX Release – 28 February 2011



AUSTRALIAN ALUMINIUM OPERATIONS UPDATE

- Planning approval granted for construction of salt evaporation ponds and transfer pipeline
- Construction of salt evaporation ponds final step to closed-loop salt slag processing
- Construction expected to commence by 11 March 2011, and take up to four weeks for completion
- Salt ponds will be interim measure with more advanced system of salt crystallisation also planned

US ALUMINIUM OPERATIONS UPDATE

- Expected to commence testing of 350,000 tonne salt cake landfill on 15 March 2011
- Progressing plant site selections
- Progressing discussions with State and Federal Governments for grants and concessions

AUSTRALIAN ALUMINIUM OPERATIONS UPDATE

Alreco Pty Ltd, MHM Metals' wholly-owned operating subsidiary for the Australian aluminium operations, has been granted planning approval to commence construction of salt evaporation ponds in Moolap, Victoria. Construction of the ponds is expected to commence by 11 March, and take up to four weeks to complete. Commissioning of the closed-loop salt slag facility will commence immediately after completion of the ponds.

MHM requires the use of evaporation ponds to enable closed-loop salt cake recycling. The ponds will be used for an initial period, to be followed by installation of an instant salt crystallisation system. This system will recover over 120 million litres of water each year from the Geelong operations. Instant salt crystallisation systems also enable MHM to establish salt slag processing facilities at sites where solar evaporation is not viable.

MHM's operations at Moolap are proceeding to high levels of satisfaction, but will be improved further when salt ponds are constructed. Large sections of the upgraded processing plant in Geelong have been commissioned and these operations have exceeded expectations.

US ALUMINIUM OPERATIONS UPDATE

MHM Metals Corp, MHM's wholly-owned US operating subsidiary, is preparing to commence excavation and landfill test work of a 350,000 tonne salt cake landfill owned by Smelter Service Corp. The test work is expected to commence on 15 March 2011. Composite samples will be collected and sent for laboratory analysis, and larger lumps of aluminium sent for smelting to determine grade. The landfill testing is important to determine if the mono-fill salt cake landfill is amenable for reprocessing by MHM, as expected. This will impact upon the size and operating capacity of what would be first closed-loop salt cake recycling facility in the United States.

Further information:

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ASX Codes:
MHM, MHMO

Issued Capital:
101.2M Ordinary Shares
26.5M Listed Options

Substantial Shareholders:
Rogers Southern PL 10.4%
Directors 12.7%
Top Twenty 30.3%

Directors:
Chairman
Basil Conti FCA, FCIS, FTIA

Managing Director
Frank Rogers

Executive Director
Ben Mead B.Econ

Non-Executive Director
Dr Neil Allen B.Sc, PhD

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