

MHM PROGRESS REPORT

ASX Release – 14 July 2011



- Geelong salt slag recycling plant components operating to specification
- Continued contract negotiations for US salt slag supply
- Appointment of Director of Operations, North America
- Due diligence advancing on Tennessee site selection
- Engagement with Tennessee state and local government for incentives and concessions

MHM Metals Limited (ASX:MHM) is pleased to announce that all components at the Geelong salt slag recycling plant are operating to specification. This is an important milestone for the company and paves the way for the global expansion of the business.

MHM will commence processing Alcoa's 160,000 tonne salt slag landfill as soon as the backlog of current stockpiles is reduced. This is in addition to the ongoing throughput of salt slag, non-salt slag and aluminium dross from Alcoa and Sims Metal Management.

In the United States MHM continues to make progress in salt slag supply discussions with Smelter Service Corporation, Alcoa and others. The company hopes to provide further update on this in the near future.

MHM Metals Corporation, the company's US operating subsidiary, has appointed a Director of Operations, North America. Mr John Pugh, formerly Vice President of Business Development and Vice President of Operations for Smelter Service Corporation, has been appointed to the role. Mr Pugh is widely regarded as one of the leading operations executives in the US aluminium industry and will be a great asset for MHM. Smelter Service Corporation and MHM agreed that Mr Pugh's appointment to MHM is in the best interests of the ongoing cooperation between the companies. Mr Pugh holds a degree in business management and has 31 years management experience in the metals industries. This includes five years with a manganese alloy foundry and 26 years in secondary aluminium recycling, including 21 years with Smelter Service Corporation. Mr Pugh's appointment commenced on 1 July.

MHM continues to progress due diligence for Tennessee site selection, with a number of sites under assessment and negotiation. The company is also positively engaged with the Tennessee state and local governments regarding concessions and incentives, and hopes to provide a further updates in the near future.

Further information:

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CORPORATE DETAIL

ASX Codes:
MHM, MHMO

Issued Capital:
102.2M Ordinary Shares
25.5M Listed Options

Substantial Shareholders:
Rogers Southern PL 10%
Directors 13%
Top Twenty 21%

Directors:
Chairman – Basil Conti
Managing Director – Frank Rogers
Executive Director – Ben Mead
Executive Director – Simon Wells
Non-Exec Director – Dr Neil Allen

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