



ASX Announcement

9 February 2017

RECEIPT OF INTENTION TO MAKE OFF-MARKET TAKEOVER OFFER

MHM Metals Limited (**MHM** or the **Company**) (ASX: MHM) advises that it has received an intention to make an off-market takeover offer for all of the ordinary shares in the Company (**the Offer**) from Cadmon Ventures Pty Ltd (**Cadmon** or the **Bidder**).

The Bidder proposes to offer MHM shareholders \$0.0435 (4.35 cents) in cash for each MHM share they own, valuing the equity in MHM at approximately \$5.93 million.

The offer price is superior to the existing off-market takeover offer for MHM received from Mercantile OFM Pty Ltd (**Mercantile OFM**), a wholly owned subsidiary of Mercantile Investment Company Limited (ASX: MVT) (**Existing Offer**), being almost 10% higher and otherwise on the same terms. In particular, the proposed offer is subject to the same conditions as the Existing Offer. It is not subject to any funding conditions. It is noted that the Existing Offer from Mercantile OFM was the first and final offer.

The Board advises shareholders not to take any action until MHM has received the formal Bidder's Statement from Cadmon.

MHM will make further announcements regarding the Cadmon offer and the Existing Offer in due course.

- ENDS

For more information:

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Capital Structure

Ordinary shares on issue: 136,228,616