



ASX Announcement

For immediate release

Friday 27 March 2015

COMPANY UPDATE

- *As at 31 December 2014 the Company held a total of c\$3.4 million in cash and cash equivalents.*
- *As per the Group's half yearly report, as at 31 December 2014 MHM held Net Tangible Assets of \$5.4 million, including a provision for the Moolap plant clean up, equivalent to an NTA of c4c per share.*
- *Taking into account the liquid assets currently available and expected future cash receipts, the directors believe that the Company is in a position to fund the clean up of the 80 Buckley Grove property.*
- *Importantly, aggregating the current liquid assets with expected proceeds from future R&D tax rebates, sales of freehold property and Plant & Equipment and the potential recovery of litigation judgments, the directors are of the view that the Company will be in a position to invest in a new business opportunity, capable of becoming its principal long term undertaking.*
- *In pursuing a new business undertaking, the Company will focus its efforts on business development opportunities in the Mineral Resources sector.*
- *As previously announced to the market, experienced Mining Company Executive Paul Kopejtka has joined the board as an Independent Non – Executive Director.*
- *Joseph van den Elsen, previously a Non – Executive Director and the Company's 3rd largest shareholder, assumed the position of Chairman on March 23.*
- *In the interests of preserving the company's financial resources and maximising its capacity to acquire a new undertaking, the Company has decided to revise the Non – Executive Director and Chairman Remuneration Policy.*
- *The Company has appointed Mr Justin Mouchacca as Company Secretary, replacing Mr Lee Mitchell.*

Alreco Update

Final delivery of salt slag to MHM's wholly owned subsidiary Alreco from Alcoa was received in March.

Alreco is now focused on the cleanup of the Buckley Grove Property.

Alreco expects to receive the final cash receipt from Alcoa during the month of April.

Owing to interest from a number of parties in potentially using the Moolap Freehold and Plant & Equipment to support alternative processes, MHM has decided not to immediately prepare these items for sale.

Instead the company will explore the suitability of the plant for alternative processes and review other commercial solutions capable of establishing a long term business on the site. This process will happen in parallel to the company's best efforts to secure state and/or regional assistance and funding for the development of a new business initiative, as well as the continued support of the National R&D initiative, for the Moolap Plant.

The Company does not consider that a business of the size or scale capable of becoming MHM's main, long-term undertaking is likely to develop from the Moolap Plant. Accordingly and in the interests of maximising shareholder value, 3rd party investment will be sought where required.

Upon successfully reinventing the Moolap Plant the Company would look for ways to monetise Alreco for the benefit of all shareholders.

MHM Update

In the pursuit of a business capable of becoming MHM's principal long term undertaking, the Company will focus its efforts on identifying and assessing opportunities in the mineral resources sector.

The Company will also consider third party originated transactions capable of driving shareholder value.

This endeavour will be funded through MHM's residual cash balance post cleanup of the Moolap Plant in addition to any future receipts of R&D Tax rebates, property sales and litigation awards.

To date the company has assessed a number of opportunities and is confident that it is well placed to execute a transaction which unlocks shareholder value.

Revision to the Company's Non – Executive Director and Chairman Remuneration Policy

In light of the company's current financial resources and the uncertainty of future cash flows, the remuneration policy has been revised such that Non – Executive Directors will now receive a base fee of \$30,000 p.a, inclusive of superannuation (previously \$50,000), and the Chairman \$40,000 p.a, also inclusive of superannuation (previously \$90,000).

Appointment of a new Company Secretary

The Company has appointed Mr Justin Mouchacca as Company Secretary effective today. Mr Mouchacca is a Chartered Accountant and acts as Company Secretary for a number of ASX listed companies. He is a Director of Leydin Freyer Corp Pty Ltd which provides Company Secretarial and Accounting services to a number of Companies within the Biotechnology and Resources sectors.

Justin replaces Mr Lee Mitchell who has today resigned from the role of Company Secretary.

END

For more information:

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