



MHM Metals Limited
ABN 41 124 212 175
PO Box 21
KINGSTON TAS 7051
Telephone 03 6229 9955
Facsimile 03 6229 8430
www.mhmmetals.com

2 March 2012

Ms. Elizabeth Harris
Principal Advisor, Issuers
ASX Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Madam,

MHM METALS LIMITED – APPENDIX 3Y

I refer to the above and to your correspondence to my colleague, Richard Rybak, Joint Company Secretary, of 29 February 2012.

I respond as follows:

1. Please explain why the Appendixes 3Y were lodged late

Failure to lodge the Appendixes 3Y was an oversight of Richard Rybak and myself.

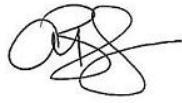
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has in place a Policy for Dealing in Company Securities. This Policy has been circulated to Directors and Management personnel. We have previously indicated to Directors and Management that should they have any queries or questions regarding the policy, they should raise those questions with myself or Richard.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company propose to take to ensure compliance with listing rule 3.19B?

You will note that the attached Policy for Dealing in Company Securities is due for review on 10 March 12. Richard Rybak and myself will undertake a review of the Policy and will re-circulate to all Directors, Board and Management and request that they return an executed copy of the Policy to both myself and Richard so that we can ensure that the contents of the Policy and the responsibilities therein will be strictly complied with.

Yours faithfully,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Annabelle Brooks

Joint Company Secretary

MHM Metals Limited

annabelle.brooks@mhmmetals.com



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

29 February 2012

Mr Richard Ryback
Company Secretary
MHM Metals Limited
1st Floor
29 Kings Park Road
WEST PERTH WA 6005

Dear Richard

MHM Metals Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 28 February 2012 regarding a change of director's interest notice for each of Messrs Frank Rogers, Basil Conti, Benjamin Mead, Simon Wells and Neil Robert ("Appendices 3Y");
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the



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information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendices 3Y indicate changes in the notifiable interest for each of Messrs Rogers, Conti, Mead, Wells and Robert occurred on 30 November 2011 by way of the issue of securities under the Company's employee share option plan and should have been lodged with the ASX by 7 December 2011. As the Appendices 3Y were lodged on 28 February 2012 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to Elizabeth.Harris@ASX.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **3:00PM WST on Monday 5 March 2012**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately. T

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth Harris'.

Elizabeth Harris
Principal Adviser, Listings (Perth)