



MHM Metals Limited
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20 November 2012

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

Dear Madam,

MHM METALS LIMITED – REQUEST FOR ADDITIONAL DISCLOSURES

I refer to your correspondence dated 13 November 2012 requiring that the Company make additional disclosures to the market on the ASX Corporate Governance Council's diversity recommendations and respond as follows:

Recommendation 3.2

The Company has not yet established a policy specifically addressing diversity. The Company does have a Code of Conduct which outlines the Company's commitment to ethical and responsible decision making. The Company also has an Anti-Discrimination and Equal Employment Opportunity Policy. The Company makes appointment decisions based on merit and whether a person's skills and experience are appropriate for the role and does not discriminate based on gender, age, ethnicity or cultural background.

As the Company's operations expand the Company will formally adopt a diversity policy and set measureable objectives for achieving gender diversity.

Recommendation 3.3

The Company currently has 22 employees. In view of the size of the Company's workforce the Company is yet to develop measureable objectives for achieving gender diversity. The Company acknowledges the importance of these objectives and will revisit the matter as its workforce expands.

Recommendation 3.4

The following table discloses the proportion of women employees:

	Number of Women Employees	Total Employees	Proportion of Women Employees
Directors	0	3	0%
Other Senior Executives	1	4	25%
Other permanent employees	3	16	15%
Contractors	0	6	0%

Recommendation 3.5

Please refer to response to 3.2

The Company will ensure that its next annual report addresses these matters.

Should there be any further queries please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'AB' with a stylized flourish.

Annabelle Brooks
Company Secretary
MHM Metals Limited



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13 November 2012

Ms Annabelle Brooks
Company Secretary
MHM Metals Limited
Level 1
20 Kings Park Road
West Perth WA 6005

Dear Annabelle

MHM Metals Limited (the "Company")

We refer to the corporate governance section of the Company's annual report for the year ended 30 June 2012 ("Annual Report") released to the market on 28 September 2012 and in particular to the reporting against principle 3 dealing with diversity.

Listing rule 4.10.3 requires that an entity include in its annual report:

"A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed."

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

"Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board."

More specifically the following recommendations set out in greater detail the requirements:-

Recommendation 3.2

"Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them."

Recommendation 3.3



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"Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them."

Recommendation 3.4

"Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board."

Recommendation 3.5

"Companies should provide the information indicated in the Guide to reporting on Principle 3."

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at Elizabeth.Harris@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **6.30am WST on Wednesday 21 November 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.



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If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Elizabeth Harris
Principal Adviser, Listings (Perth)