



ASX Announcement

3 April 2017

UPDATE ON TAKEOVER OFFERS

MHM Metals Limited (**MHM** or the **Company**) (ASX: MHM) provides an update to shareholders regarding the off-market takeover offers for all of the ordinary shares in the Company received from Cadmon Ventures Pty Ltd (**Cadmon**) and Mercantile OFM Pty Ltd (**Mercantile**).

As announced on 31 March 2017 by Mercantile Investment Company Limited (the parent company of Mercantile), Mercantile has declared its offer unconditional and has adjusted the payment terms for its offer.

The Board of MHM reminds shareholders that **the Cadmon offer price is almost 9% higher than the Mercantile offer price.**

Although the Cadmon offer has not, as at the date of this Announcement, been declared free of defeating conditions, the only conditions of the Cadmon offer are that no 'prescribed occurrences' occur. The Board of MHM consider it unlikely that any prescribed occurrences will occur before the current end date of Cadmon's offer.

Cadmon has also provided further disclosure regarding, amongst other things, the source of funding for the consideration for its offer, by way of its supplementary bidder's statement issued on 31 March 2017.

The Board reiterates its recommendation that shareholders **do not accept** either offer for the reasons provided in its Target's Statements.

If you have any queries regarding the offers, please call +61 3 9692 7222.

- ENDS

For more information:

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Capital Structure

Ordinary shares on issue: 136,228,616