



ASX Announcement

11 April 2016

Termination of the Binding Heads of Agreement between MHM Metals (ASX: MHM) and Stone Resources Australia (ASX: SHK) - Update

As announced to the market on January 11, 2016, MHM Metals Limited ('MHM' or 'the Company') entered into a Binding Heads of Agreement (BHOA) with Stone Resources Australia Limited (ASX: SHK) (Stone) to develop the Brightstar Gold Project located in the Laverton region of Western Australia.

Subsequently, the Company advised Stone that as a result of what it considered various breaches by Stone of the covenants, warranties and representations it made in the BHOA between the parties, it was terminating the BHOA with immediate effect.

On April 8, 2016 the Company issued Stone with a demand for payment of the break fee under the agreed terms of the BHOA and further damages incurred as a result of the various alleged breaches of the covenants, warranties and representations Stone made in the BHOA.

The break fee under the agreed terms is \$100,000 and the Company deems this to not be material.

ENDS

For more information:

MHM Metals Limited
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Company Snapshot

Capital Structure

Ordinary shares on issue:	136,227,816
Market Cap (at 3c):	\$4,086,834

Directors

Joseph van den Elsen (Managing Director)
Paul Kopejtka (Non - Executive Chairman)
Chris Goodman (Non - Executive Director)

Company Secretary

Justin Mouchacca