

# OM HOLDINGS LIMITED

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Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## UPGRADE TO TOURAG RESOURCE

The Board of OM Holdings Limited ("OMH") is pleased to provide the following update on infill resource drilling at the Tourag deposit.

A 2,579 metre, 50 hole RC infill drilling program at Tourag was completed during the June 2006 quarter.

Based on the results of this drilling program, an updated resource estimate has been finalised for Tourag. **The resource has increased by 1.79 Mt (+275%) to 2.44 Mt.** Both the current and previous resource estimates are reported at a lower cut-off grade of 18% Mn.

The current Tourag resource estimate compared with the previous estimate is shown below:

Resource Category	Previous (2004)	Current
Indicated	-	2.18 Mt @ 23% Mn
Inferred	0.65 Mt @ 26% Mn	0.26 Mt @ 26% Mn
<b>Total</b>	<b>0.65 Mt @ 26% Mn</b>	<b>2.44 Mt @ 23% Mn</b>

The Tourag resource consists of two blocks separated by a strike length of 350m which is untested. The mineralised sequence extends over a combined strike length of 1.5 kilometres and dips 30° degrees to the southwest. It is located 6 kilometres to the northwest of the processing facilities. More details are provided in the notes at the end of this announcement.

Total resources at the Bootu Creek Manganese Mine are as follows:

Deposit	Measured		Indicated		Inferred		Total	
	M tonnes	Mn %	M tonnes	Mn %	M tonnes	Mn %	M tonnes	Mn %
Shekuma	1.3	30%	1.9	26%	1.1	25%	4.3	27%
Go Go	0.6	37%	2.5	25%	1.0	26%	4.1	27%
Chugga	1.1	23%	1.7	23%	1.5	24%	4.3	23%
Tourag	-	0%	2.2	23%	0.3	26%	2.4	23%
<b>Total</b>	<b>3.0</b>	<b>29%</b>	<b>8.3</b>	<b>24%</b>	<b>3.9</b>	<b>25%</b>	<b>15.2</b>	<b>25%</b>

Further work is being undertaken on drilling results from GoGo, Chugga West and Shekuma. Resources updates for these areas are expected to be completed by the end of December 2006.

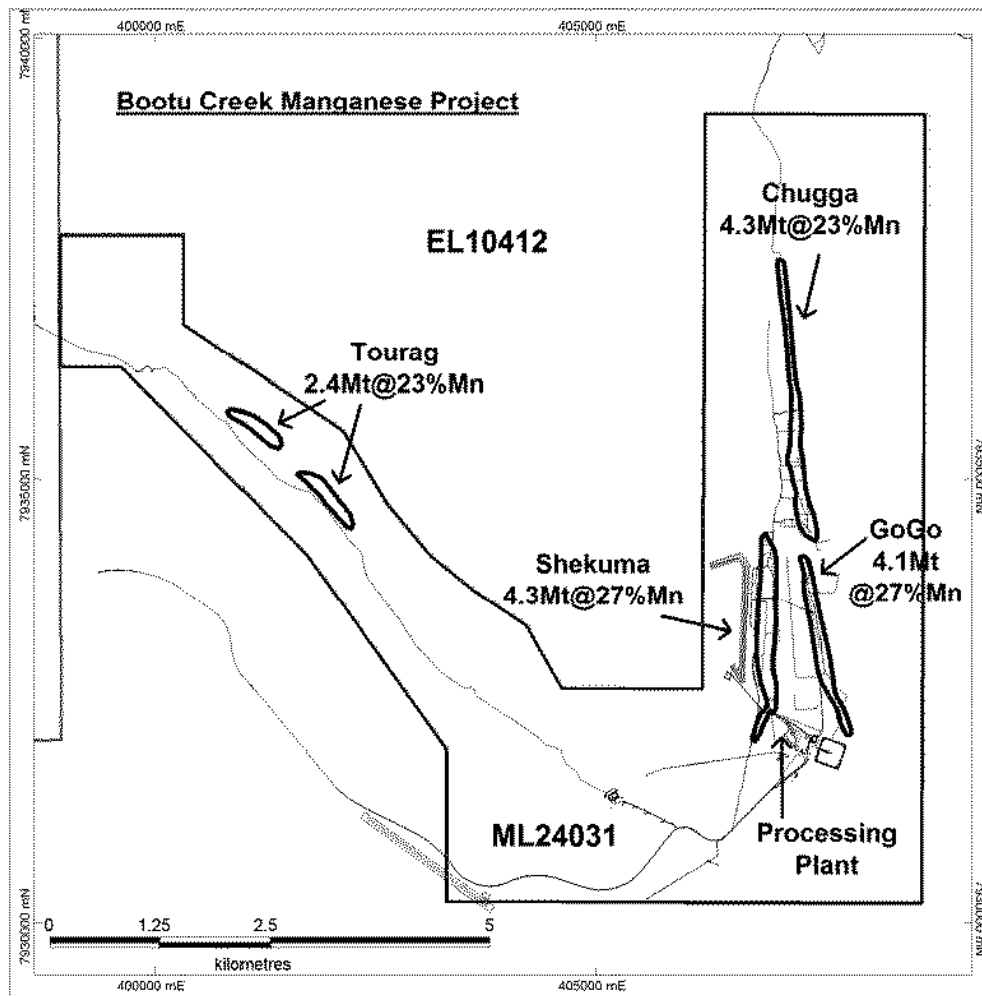


Figure 1. Location Plan for Bootu Creek Manganese Resources

### Exploration Plan

The final phase (6,000 metres) of a 22,000 metre delineation and exploration drilling program for 2006, has been completed in accordance with the work plan.

The helicopter hoist EM survey has also been completed. Early results are encouraging and detailed interpretation and modelling of the EM data is underway. The full results of this survey are likely to be available in November 2006. An additional 3,000 metre drill program is scheduled to commence in mid November 2006 and will focus on sterilising near mine areas and on the identification of potential new resource blocks (EM anomaly testing).

Yours faithfully  
**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley  
Company Secretary



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### **Tourag Resource Estimation Details**

The Resource estimates were completed by resource consultants Hellman and Schofield Pty Ltd based on data and a geological interpretation supplied by OMH.

The wireframes were based on all of the 91 resource definition and exploration drill holes in the resource area and with an outer resource constraint of 14% Mn and an internal constraint of 28% Mn applied. Some lower grade intercepts have been included to ensure geological continuity of resource constraints.

Grades were modelled using a 3D Ordinary Kriging approach with searches aligned parallel to the strike and dip of the mineralization (a dip of 31° was assumed for the deposit). SG was calculated by regression and supplied by OMH.

The location, quantity and distribution of the current data were sufficient to allow the classification of Indicated and Inferred resources. Search distances are consistent with previous work by consultants to OMH.

Tonnes were rounded to the nearest 10,000 tonnes and grade to the nearest 1% Mn.

*The information in this report which relates to resources and reserves is based on information compiled by Mr Craig Reddell, a full time employee of OM (Manganese) Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy and modelled by Mr Robert Spiers a full time employee of Hellman and Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr Reddell and Mr Spiers have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell and Mr Spiers consent to the reporting of this information in the form and context in which it appears.*



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## BACKGROUND PROFILE OF OM HOLDINGS LIMITED

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*OMH which was listed on the ASX in March 1998 has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. In the immediate future, the Group has commenced commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.*

*Through its wholly owned subsidiary, OM Manganese Ltd (“OMM”), OMH controls 100% of the Bootu Creek Manganese Project located 110 km north of Tennant Creek in the Northern Territory.*

*The Bootu Creek Manganese Project is expected to produce at an annual rate of 550,000 tonnes of manganese ore. The Project has further exploration potential given that its tenement holdings extend over 1,750 km<sup>2</sup>.*

*The manganese product from the Project is exclusively marketed by the Group’s own trading division with a proportion of the product consumed by the Group’s wholly-owned Qinzhou smelter located in south west China.*

*Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market. Product from the Bootu Creek Manganese Project will strengthen OMH’s position in this market.*

*OMH holds a 18% shareholding in Territory Iron Ltd, a company presently pursuing the development of the Frances Creek iron ore project in the Northern Territory.*

**For further information:**

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