

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 3

27 August 2009

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

Dear Sir/Madam

## **FARMIN TO PROSPECTIVE WADDIKEE TENEMENT FOR MANGANESE AND IRON ORE**

OM Holdings Limited (ASX Code: OMH) is pleased to announced that its wholly owned subsidiary OM (Manganese) Limited ("OMM") has executed a Farmin Agreement with Monax Mining Limited (ASX Code: MOX) over MOX's Waddikee tenement EL3357 ("Waddikee Tenement").

Subject to conditions precedent being satisfied, OMM has agreed to fund A\$2 million on exploration over four years to acquire a 60% participating interest in the Waddikee Tenement.

The Waddikee Tenement covers 1,004 km<sup>2</sup> and is located approximately 45km north east along strike from Centrex Metals Limited's Wilgerup hematite project and approximately 55km west of OneSteel's iron ore mines - Iron Duke, Iron Baron and Iron Monarch, on the eastern Eyre Peninsula, South Australia (refer Figure 1).

### **Project Status**

The Waddikee Tenement comprises more than 80km strike length of manganese prospective host sequence, including banded iron formation, clearly evident as long curvi-linear highs within the 100m line spaced aeromagnetic data and gravity data.

MOX has announced that it has defined a number of highly prospective areas comprising manganese mineralisation, based on detailed geophysics, mapping, rock chip sampling and drilling programs undertaken during 2008.<sup>(1)</sup>

Eight drill traverses at the Jamieson Tank prospect and one drill hole to the north at the Pollinga prospect intersected manganese mineralisation. MOX has also announced that laboratory scale beneficiation demonstrated that bulk samples from selected manganese intersections could be upgraded to 42.5% Mn, with up to 88% recovery.<sup>(2)</sup>

OMM considers that there is potential to define other areas of good grade manganese mineralisation as well as iron ore on the Waddikee Tenement.

<sup>(1)</sup> Refer MOX ASX Announcement dated 19 September 2008.

<sup>(2)</sup> Refer MOX ASX Announcement dated 18 December 2008.



## Farmin Agreement

Under the terms of the Farmin Agreement, OMM has the right to earn a 60% participating interest in all ferrous minerals (including manganese and iron ore) on the Waddikee Tenement by funding expenditure of A\$2 million over a 4 year period. OMM must expend a minimum of A\$0.25 million in the first year before it has the right to withdraw. During the farmin period, MOX will remain the exploration operator according to a program and budget to be mutually agreed between OMM and MOX. MOX retains the right to all non-ferrous minerals within the Waddikee Tenement, subject to OMM having a first right of refusal. In the event that OMM withdraws prior to expending A\$2 million, it will have earned no interest in the Waddikee Tenement.

Upon OMM earning its farmin interest of 60%, OMM and MOX will enter into a formal Joint Venture Agreement (“JVA”). Under the terms to be included in the JVA, MOX may elect to contribute in proportion to its 40% interest, or transfer a further 20% interest to OMM upon OMM funding a further A\$2 million of expenditure. OMM will be entitled to be the manager of the joint venture. Should OMM make a decision to mine, MOX may elect to contribute in proportion to its remaining participating interest, or relinquish its interest and withdraw from the joint venture in exchange for a net revenue FOB royalty at a rate of 1% for each 10% of MOX’s participating interest retained at the time of OMM’s decision to mine. MOX has agreed to appoint OMM as its sole and exclusive agent to manage its share of any product offtake.

Managing Director of OMM, Mr Paul Thomas said, “OMM is delighted to have reached agreement with MOX regarding the development potential of this project. The agreement will provide both parties with the opportunity to carry out an extensive exploration program on the prospective Waddikee Tenement with a well defined earn-in structure.”

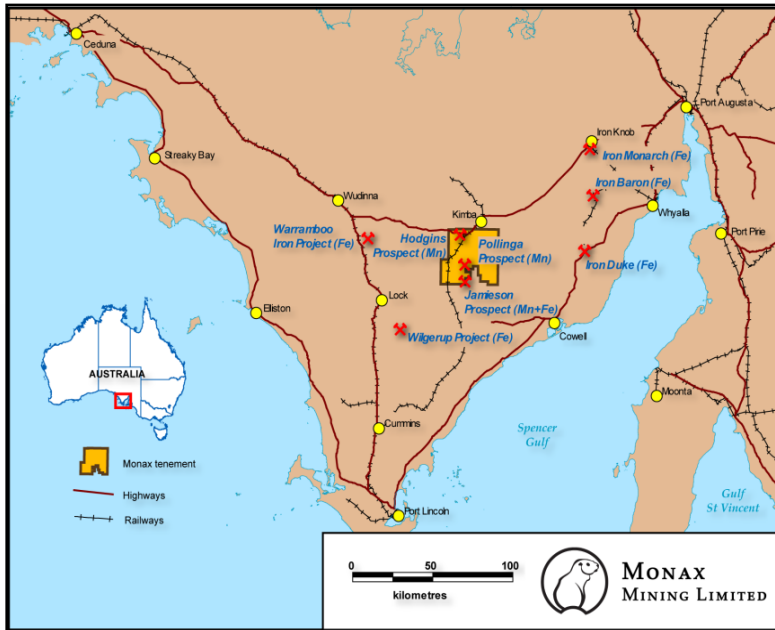


Figure 1: Waddikee Tenement location, Eyre Peninsula, South Australia

Yours faithfully  
**OM HOLDINGS LIMITED**

  
Heng Siow Kwee/Julie Wolseley  
Company Secretary

OMH has relied and referred to previous ASX Announcements made by Monax Mining Limited. Such ASX Announcements include information that relates to Exploration Results, Mineral Resources or Ore Reserves and is based on information compiled by Mr M P Schwarz, who is a Member of the Australian Institute of Geoscientists. Mr Schwarz is employed full time by Monax Mining Limited and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies 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 Schwarz consents to the inclusion of the information in this report in the form and context in which it appears.



## **BACKGROUND PROFILE OF OM HOLDINGS LIMITED**

---

*OMH listed on the ASX in March 1998 and 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. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.*

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

*Bootu Creek has the capacity to produce over 800,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,326km<sup>2</sup>.*

*Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH 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 Bootu Creek has strengthened OMH’s position in this market.*

*OMH also holds an 12% shareholding in Shaw River Resources Limited, a company presently exploring for manganese in Western Australia as well as a 10% shareholding in Territory Resources Limited a company operating the Frances Creek iron ore mine in the Northern Territory.*

For personal use only