

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

DECEMBER 2015 QUARTERLY PRODUCTION AND MARKET UPDATE

The Board of OM Holdings Limited (“OMH” or “the Company”) is pleased to provide the following update.

HIGHLIGHTS

OPERATING PERFORMANCE

OM SARAWAK (75%, Samalaju, Malaysia)

- Ferrosilicon produced during the December 2015 quarter of 43,941 tonnes
- Physical construction of Phase 1 of the OM Sarawak ferrosilicon production facility has been completed
- Completed testing and cold commissioning of Workshops B04 and B05 during the quarter

EXPLORATION AND MINING (OMM, 100% owned Bootu Creek Manganese Mine)

- Bootu Creek Manganese Project suspended mining operations on 15 December 2015 and OMM placed into voluntary administration on 4 January 2016
- December 2015 quarterly manganese ore production (up to date of suspension of operations) of 188,595 tonnes grading 36.22%
- December 2015 quarterly manganese ore shipments (up to date of suspension of operations) of 124,053 dry tonnes (130,124 wet tonnes) grading 36.03%



MARKETING AND TRADING, AND MARKET UPDATE

- **344,546 tonnes of equity and third party ores and alloys were transacted during the quarter. These included approximately 16,916 tonnes of ferrosilicon from our smelter in Sarawak**
- **China's crude steel production between October to December 2015 amounted to 193.8 million tonnes, representing a 2.56% quarter-on-quarter decrease**
- **World crude steel production for the December 2015 quarter was 386.3 million tonnes, representing a 2.47% quarter-on-quarter decrease**



OM MATERIALS (SARAWAK) SDN BHD (“OM Sarawak”) (75%, Samalaju, East Malaysia)

OM Sarawak owns a Ferro Alloy Smelting Project in the Samalaju Industrial Park in Sarawak, Malaysia (the “Project”). The Project consists of 8 Main Workshops and a total of 16 units of 25.5 MVA furnaces with a design capacity to produce 308,000 tonnes of ferrosilicon alloys per annum.

A total of 43,941 tonnes of ferrosilicon was produced in the 4th quarter of 2015.

Commercial operation

OM Sarawak continues to improve the operating efficiency and cost effectiveness of each furnace currently in production. During the December 2015 quarter, a total of 43,941 tonnes of ferrosilicon was produced, representing an increase of 14,762 tonnes compared to the September 2015 quarter. The production output of ferrosilicon continues to move towards meeting the nameplate production capacity of 308,000 tonnes of ferrosilicon alloy per annum.

Construction

Physical construction of Phase 1 of the ferrosilicon production facility has been completed. Main Workshops B04 and B05 have completed testing and cold commissioning during the quarter and are expected to commence commercial production once the market environment improves.



B01 Furnace at work



B01 Molten lava collection

EXPLORATION AND MINING

OM (MANGANESE) LTD (“OMM”)

BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)

On 15 December 2015, the mining operations at the Bootu Creek Manganese Mine were suspended due to the ongoing and material fall in the manganese price. Production from the Bootu Creek Manganese Mine for the December 2015 quarter, up to the date of suspension of operations, is summarised below:

	Unit	Dec 2015 Quarter	YTD 2015	Sept 2015 Quarter
Mining				
Total Material Mined	bcms	886,475	5,417,733	1,592,016
Ore Mined – tonnes	dt	419,990	1,918,137	516,377
Ore Mined – Mn grade	%	22.68	22.52	24.19
Production				
Lumps – tonnes	dt	150,194	549,575	165,277
Lumps – Mn grade	%	35.80	35.22	35.28
Fines/SPP – tonnes	dt	38,401	211,295	58,274
Fines/SPP – Mn grade	%	37.90	36.99	37.24
Total Production – tonnes	dt	188,595	760,870	223,551
Total Production – Mn grade	%	36.22	35.71	35.79
Sales				
Lumps – tonnes	dt	96,424	501,640	184,501
Lumps – Mn grade	%	35.60	35.41	35.16
Fines/SPP – tonnes	dt	27,628	137,411	44,927
Fines/SPP – Mn grade	%	37.52	36.50	36.40
Total Sales – tonnes	dt	124,052	639,051	229,427
Total Sales – Mn grade	%	36.03	35.65	35.40



Mining

During the December 2015 quarter, a total of 0.89 million bcms of material was mined including 419,990 tonnes of ore. Mining activities were concentrated across the Chugga South, Chugga North, GoGo and Shekuma deposits.

Mining operations were suspended on 15 December 2015 and the site was appropriately secured and made safe. Ongoing reporting and monitoring requirements are in the process of being agreed with the Northern Territory Department of Mines.

Processing

The mine produced ore production of 188,595 tonnes for the December 2015 quarter (up to the date of suspension of operations) at an average grade of 36.22% Mn. Production continued to benefit from higher yielding ores from the higher grade deposits. Material treated through the plant during the quarter included a combination of high grade mined ore and lower grade stockpiled material.

At the date of suspension of operations, a total of 185,000 tonnes of finished product stocks remains at the Bootu Creek site, Muckaty Siding and Darwin Port.

Logistics

During the December 2015 quarter (up to the date of suspension of operations), a total of 124,053 dry tonnes (130,124 wet tonnes) of manganese product was exported through the Port of Darwin in 3 vessels.

Unit operating costs

The C1 unit cash operating cost for the December 2015 quarter (up to the date of suspension of operations) improved to A\$2.50/dmtu (US\$1.81/dmtu).

Based on a normalised production and logistics schedule where logistics activity matches production activity, reported C1 unit cash operating cost would have been approximately A\$2.70/dmtu for the full December 2015 quarter.

Subsequent event

As announced to ASX on 4 January 2016, OMM was placed into voluntary administration on that date.

MARKETING AND TRADING, AND MARKET UPDATE

During the December 2015 quarter, a total of 344,546 tonnes of ores and alloys was transacted. This included about 16,916 tonnes of ferrosilicon from the smelter in Sarawak.

According to Worldsteel, crude steel production in China between September to December 2015 amounted to 193.8 million tonnes, representing a 2.56% decrease against the September 2015 quarter. This was also 3.33% lower compared to the corresponding quarter in 2014 signifying a continued slow-down in steel production.

In the current quarter, prices of 44% Mn declined further by more than 30% to US\$1.86/dmtu CIF China, a decline of US\$0.82/dmtu from the previous quarter of US\$2.68/dmtu CIF China.



OM Holdings Limited

CORPORATE

Tshipi é Ntle Manganese Mining (Pty) Ltd (“Tshipi”)

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Mining (Proprietary) Limited, the majority (50.1%) owner of Tshipi.

Tshipi owns 2 manganese prospects in the world class Kalahari Manganese field, namely Tshipi Borwa and Tshipi Bokone.

Tshipi Borwa Manganese Mine

Tshipi exports for the December 2015 quarter totalled 402,104 tonnes (Q4 2014: 542,616 tonnes) representing a 25.9% decrease from the corresponding quarter in 2014.

CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter. As at 31 December 2015, the Company had 733,423,337 ordinary shares, 25,000,000 convertible notes and 31,200,000 unlisted warrants on issue.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products.

OMH is involved in mining manganese product in Australia and South Africa and smelting in East Malaysia.

The smelter in Sarawak, Malaysia is 75% owned by OMH and is nearing construction completion.

The first phase of the Sarawak smelter project commenced production in September 2014 and will ramp up to full production by the end of 2015. When completed the ferrosilicon production facility's capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters globally.

OMH, through a wholly owned subsidiary, owns the Bootu Creek manganese mine in the Northern Territory. This mine has the capacity to produce up to 1,000,000 tonnes of manganese product per annum.

OMH also owns a 26% investment in Main Street 774 (Pty) Limited, which, in turn owns 50.1% interest in the world class Tshipi Borwa ("Tshipi") manganese mine in South Africa. This mine has the capacity to produce up to 2,400,000 tonnes of manganese product per annum when the permanent processing plant is completed.

The manganese products of Bootu Creek, and those from Tshipi, are exclusively marketed through the OMH's trading division and OM Tshipi Pte Ltd (33.33% owned) respectively. Through all these activities OMH has established itself as a significant manganese supplier to the global market.