

OM HOLDINGS LIMITED

(ARBN 081 028 337)



26 September 2019

ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

BOOTU CREEK MINE UPDATE

Further to OM Holdings Limited's (ASX: OMH) (**Company**) announcement dated 26 August 2019 in relation to a fatal accident at the Bootu Creek Manganese Mine in the Northern Territory (**Mine**), the Board of the Company advises that the body of Mr Craig Butler (Mining Superintendent) has been recovered from the Tourag Pit. The Company deeply regrets the loss of Mr Butler's life and extends its most sincere condolences to Mr Butler's family and continues to support them through this difficult time. Employee and contractor safety is a priority for the Company and its subsidiaries including OM (Manganese) Ltd (**OMM**) which owns and operates the Mine. Safety and risk mitigation practices and procedures are in place for all operations.

OMM has been working closely with the Northern Territory Police, the Department of Primary Industry and Resources (the **Department**) and NT WorkSafe. Mining operations remain suspended. OMM hopes to make a staged re-start to in-pit mining operations by the end of October 2019, subject to completion of a report by independent geotechnical engineers which will be provided to the Department for the purpose of consideration and to support the respective approvals being sought by OMM. Depending on the review process and the resultant outcomes between both parties, in pit mining operations are targeted to resume in stages by the end of October 2019.

Following an initial Mine wide shut down in response to the fatality on 24 August 2019, processing operations were restarted the following day. Existing stockpiled material is being processed through the heavy media separation plant and secondary processing plant yielding a saleable lower grade manganese product. This interim production is expected to yield approximately 110,000 tonnes of lower grade product (25% to 30% Mn albeit with consistently low Fe and high SiO₂) in addition to the original production plan, albeit at a lower rate of production due to operational constraints. Processing of this lower grade ore is expected to carry on for approximately two months. Restarting the mining operation and ensuring the safety of employees and contractors at the Mine continues to be a high priority. Under these circumstances, the tailings retreatment plant will not be fully commissioned as originally forecasted until the mining operations re-commence.

As liaison with the Department continues so as to seek re-commencement of mining activities, production in the 3rd quarter of 2019 is expected to be lower at approximately 103,000 tonnes. Production for the 4th quarter of 2019 will be contingent on access to higher grade ores, which is dependent on the relevant approvals from the Department so as to enable the re-commencement of mining operations.

The Company has continued to operate smelting at full capacity at its Sarawak operations, and the Mine suspension has not affected the fundamental economics of the smelting division. Alternative sources of manganese ore have been sourced as substitutes to ensure the continuity of manganese alloy production. Consequently, while this accident has directly impacted the earnings contribution of the mining division to the Company, it is contained and quarantined to the mining division.



A further update will be provided in the September 2019 Production and Market Update Quarterly Report which will be lodged later in October 2019 (including any guidance if the timing of the re-commencement of mining activities is adversely delayed beyond the end of October 2019).

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley

Joint Company Secretary