

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



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29 July 2016

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

Dear Sir/Madam

## **JUNE 2016 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 June 2016 quarter of 31,215 tonnes, an increase of approximately 92% over the corresponding quarter in 2015, and an increase of 1.86% over the March 2016 quarter
- Achieved a production average of 57.17 tonnes of ferrosilicon per furnace per day, which exceeded the furnace design capacity of 55 tonnes per furnace per day
- Ferrosilicon sales of 30,568 tonnes for the June 2016 quarter

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

- There was no mining and production activity carried out for the June 2016 quarter

#### **MARKETING AND TRADING, AND MARKET UPDATE**

- 468,979 tonnes of third party ores and alloys were transacted during the June 2016 quarter, an increase of 65.84% over the March 2016 quarter
- China’s crude steel production between April to June 2016 amounted to 209.4 million tonnes, representing a 9.23% quarter-on-quarter increase
- World crude steel production for the June 2016 quarter was 410.0 million tonnes, representing a 6.10% quarter-on-quarter increase



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## **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.

### **Commercial operation**

During the June 2016 quarter, a total of 31,215 tonnes of ferrosilicon was produced, an increase of approximately 92% over the corresponding quarter in 2015, and an increase of 1.86% over the March 2016 quarter. With the continued stabilisation of the furnaces, the plant achieved a production average of 57.17 tonnes per furnace per day in the current quarter. This has exceeded the Company’s furnace design capacity of 55 tonnes per furnace per day. As the production efficiency of the furnaces improve, the furnaces used less power, and raw material consumption was also reduced which translated into a lower cost of production for the ferrosilicon.

For the June 2016 quarter, a total of 30,568 tonnes of ferrosilicon was sold, as compared to 25,155 tonnes in the previous quarter, an increase of approximately 21.5%. This was mainly due to increased tonnages of ferrosilicon sold to our existing markets as well as to a new geographic market, in line with the Company’s strategy to expand its global footprint. OM Sarawak will continue to monitor the ferrosilicon market closely and ramp up the furnaces to its nameplate production capacity.

## **EXPLORATION AND MINING**

### **OM (MANGANESE) LTD (ADMINISTRATOR APPOINTED) (“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. As announced to ASX on 4 January 2016, OMM was placed into voluntary administration on that date.

As a result of this, there was no mining and production activity carried out at the Bootu Creek Manganese Mine from January to June 2016 (being the March 2016 quarter and the June 2016 quarter).

## **MARKETING AND TRADING, AND MARKET UPDATE**

During the June 2016 quarter, a total of 468,979 tonnes of ores and alloys was transacted, as compared to 282,787 tonnes for the March 2016 quarter, representing an increase of approximately 65.94%.

According to Worldsteel, crude steel production in China between April to June 2016 amounted to 209.4 million tonnes, representing a 9.23% increase against the March 2016 quarter. This was also 1.33% higher compared to the corresponding quarter in 2015.

In the current quarter, prices of 44% Mn softened to close at US\$3.17/dmtu CIF China, a decrease of US\$0.71/dmtu from the previous quarter of US\$3.88/dmtu CIF China.



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**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 June 2016 quarter totalled 555,038 tonnes (Q2 2015: 509,359 tonnes) representing a 9.0% increase from the corresponding quarter in 2015.

**CAPITAL STRUCTURE**

There were no movements in the share capital structure of the Company during the quarter. As at 30 June 2016, 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**



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

*OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metal materials 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 Sarawak, East Malaysia.*

*The smelter in Sarawak is 75% owned by OMH and physical construction of Phase 1 of the ferrosilicon production facility has been completed.*

*Having commenced construction in Q3 2012, first tapping was achieved on 22 September 2014. The facilities' capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters in the world. Manganese Alloy production is under review and is expected to commence in 2016.*

*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 OMH's trading division, OM Materials (S) Pte Ltd, 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.*