

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



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17 April 2012

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

Dear Sir/Madam

## MARCH 2012 QUARTERLY MARKET UPDATE

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

### HIGHLIGHTS

#### OPERATING PERFORMANCE

##### OMM (100%, Bootu Creek Mine)

- Record first quarter production of 223,169 tonnes grading 37.0% Mn
- Record monthly production of 100,315 tonnes grading 37.24% Mn achieved in January 2012
- Lower than average rainfall in the months of January and February 2012 allowed for fully optimised mining operations, however production in March 2012 was negatively impacted by higher than average rainfall
- Reported C1 unit cash cost of A\$2.88/dmtu FOB Darwin – estimated C1 unit cash cost of A\$3.72/dmtu FOB Darwin if normalised rail logistics operations had continued throughout the quarter
- Successful initial implementation of the re-optimised Bootu Creek Mine operating strategy for 2012 focusing on a low cost, low strip ratio mine plan accessing previously pre-stripped high grade and high-yielding ore, utilising a single mining fleet

##### OMQ (100%, Guangxi, China)

- First quarter production of 17,725 tonnes of HCFeMn alloy and 45,458 tonnes of manganese sinter ore
- Record sales of 16,136 tonnes of HCFeMn and 30,796 tonnes of manganese sinter ore achieved during the quarter

1



## MARKET OUTLOOK

- China crude steel production for January and February 2012 recorded 112.6 million tonnes, down 1.4% over the same period in 2011. Industry analyst consensus predicts China's annualised 2012 crude steel output at 700+ million tonnes
- High grade Manganese ore benchmark price remained unchanged during Q1 2012 at US\$4.75/dmtu CIF China. However recently published announcements (*The TEX Report and Metal Bulletin*) confirmed an increase in the May 2012 spot price to US\$5.00/dmtu CIF China, representing a 5.3% increase from the April 2012 spot price. The price increase indicates continued strong demand for high grade seaborne manganese ores, a tightening of supply due to production cuts as well as continued Chinese port destocking
- Chinese January 2012 ore imports were 683,697 tonnes, down 25% month-on-month, due to the impact of the traditional Chinese festive holiday season
- Chinese port inventories reported to have decreased to 3.1 million tonnes as at the end of March 2012

## TSHIPI (13% indirect interest)

- Project remains on track for H2 2012 delivery of first ore
- Tshipi Borwa mine development continues with pre-strip mining, construction of rail siding, processing plant and infrastructure construction well under way
- A visit by representatives from the national rail logistics provider Transnet as part of Transnet's final due diligence evaluation for the Tshipi Borwa mine was well received, and formal rail contract negotiations are expected to commence shortly

## MALAYSIA

- Power Purchase Agreement ("PPA") agreement was signed with Syarikat Sesco Berhad for the supply of 500MW of power on 2 February 2012
- Marketing agreement signed with Hanwa Co., Ltd for the sales and marketing of 80,000 tonnes of Ferro Silicon and 80,000 tonnes of Silico Manganese product
- Detailed Environmental Impact Assessment ("DEIA") report submitted to the Department of Environment of Malaysia in February 2012, and approval is expected by Q2 2012

## CORPORATE

- Completed a placement of 75 million ordinary shares to a strategic investor, Boustead Singapore Limited, and to a small number of Asian institutional investors on 28 February 2012, raising gross proceeds of A\$26.25 million
- Completed a placement of 25 million ordinary shares and 25 million unsecured convertible notes to Hanwa Co., Ltd on 7 March 2012, raising gross proceeds of approximately A\$29.8 million
- The Group has consolidated and restructured its existing term loan facilities with Standard Chartered Bank, providing much improved financial flexibility for the Group to execute its revised operating strategy as well as continue with the development of its strategic growth projects, specifically the early-stage development of the Sarawak ferroalloy project in Malaysia



**OM (MANGANESE) LTD (“OMM”)**  
**BOOTU CREEK MINE (100%, Northern Territory, Australia)**

Production from the Bootu Creek Mine for the March 2012 Quarter is summarised below:

	Unit	Mar 2012 Quarter	FYTD 2012	Dec 2011 Quarter	Mar 2011 Quarter
<b>Mining</b>					
Total Material Mined	bcms	696,288	696,288	1,635,782	2,518,901
Ore Mined – tonnes	dt	401,958	401,958	414,755	369,646
Ore Mined – Mn grade	%	22.76	22.76	22.04	24.11
<b>Production</b>					
Lumps – tonnes	dt	150,644	150,644	147,251	125,621
Lumps – Mn grade	%	36.62	36.62	36.03	36.16
Fines/SPP – tonnes	dt	72,524	72,524	76,260	56,241
Fines/SPP – Mn grade	%	37.77	37.77	37.18	37.47
<b>Total Production – tonnes</b>	<b>dt</b>	<b>223,169</b>	<b>223,169</b>	<b>223,511</b>	<b>181,862</b>
<b>Total Production – Mn grade</b>	<b>%</b>	<b>37.00</b>	<b>37.00</b>	<b>36.42</b>	<b>36.56</b>
<b>Sales</b>					
Lumps – tonnes	dt	58,957	58,957	156,852	157,030
Lumps – Mn grade	%	37.27	37.27	35.85	36.04
Fines/SPP – tonnes	dt	-	-	72,218	53,356
Fines/SPP – Mn grade	%	-	-	37.94	38.73
<b>Total Sales – tonnes (dry)</b>	<b>dt</b>	<b>58,957</b>	<b>58,957</b>	<b>229,071</b>	<b>210,386</b>
<b>Total Sales – Mn grade</b>	<b>%</b>	<b>37.27</b>	<b>37.27</b>	<b>36.51</b>	<b>36.72</b>

### Mining

Mining activities during the March 2012 Quarter concentrated in the Masai 2 and the Masai 3 pits in line with the mine's operating strategy for 2012 which centres around a low cost, low strip ratio, single mining fleet operation focused on accessing previously pre-stripped high grade and high yielding ore.

During the quarter, approximately 0.7 million bank cubic metres (“bcm”) of material was mined in the Masai deposits by a single mining fleet specifically configured to suit the lower strip ratio operations scheduled for 2012.

The lower than average rainfall in the months of January and February allowed optimised mining operations, but operations in March were negatively impacted by the higher than average rainfall. Nevertheless, the rainfall in the March 2012 Quarter was not as extreme as the severe rainfall events that occurred in the first quarter of 2011 following the tail end of Cyclone Yasi which caused localised pit flooding and temporarily reduced ore supply to the process plant. The total rainfall for the March 2012 Quarter was 351 mm, being 74% of the average 1<sup>st</sup> quarter rainfall experienced since commencement of operations.

Remediation works associated with the Masai Sacred Site commenced during the December 2011 Quarter following extensive consultation and liaison with the Northern Land Council, the Aboriginal Areas Protection Authority (“AAPA”), Native Title Parties/Traditional Owners and the Northern Territory Department of Resources and were substantially completed by the end of January 2012.

On 24 November 2011, AAPA lodged a complaint and served a summons on OMM in relation to the Masai Sacred Site to appear at the Court of Summary Jurisdiction on 15 December 2011. The matter was adjourned until 15 February 2012 at which time the matter was further adjourned until 19 April 2012 at which time the Court is expected to make further programming orders in relation to the matter.

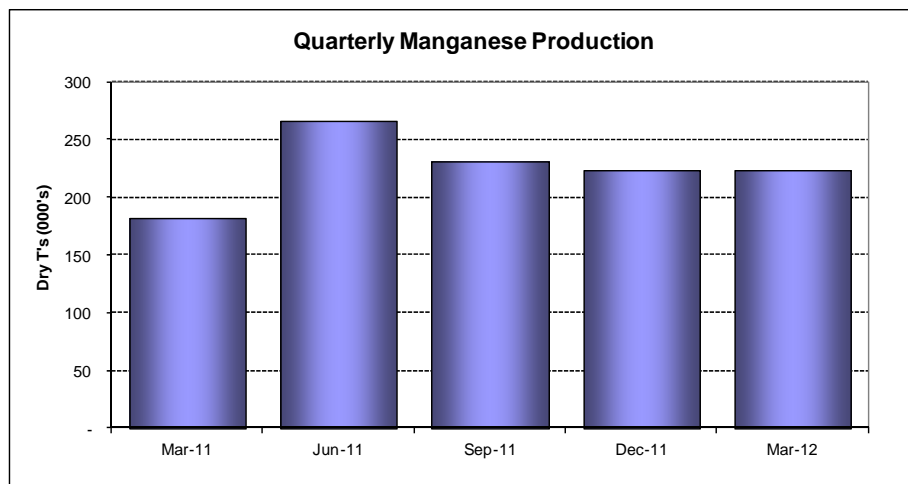


## Processing

Production for the March 2012 Quarter was 223,169 tonnes at an average grade of 37.0% Mn which was a record first quarter production since commencement of operations and included an all-time record monthly production result for the month of January 2012 of 100,315 tonnes at 37.24% Mn.

Production in the later part of the quarter was temporarily affected by reduced ore supply to the process plant caused by localised rainfall events requiring low grade ores to be fed into the plant for the majority of the month of March 2012. Notwithstanding the lower production in the month of March 2012, production for the March 2012 Quarter was higher than forecast and in line with targeted full year production for 2012 of approximately 850,000 tonnes.

The Masai deposit continues to demonstrate high plant mass yields and metal recoveries with very high manganese to iron ratios which will form the bulk of high grade ore supply for the remainder of the 2012 year.

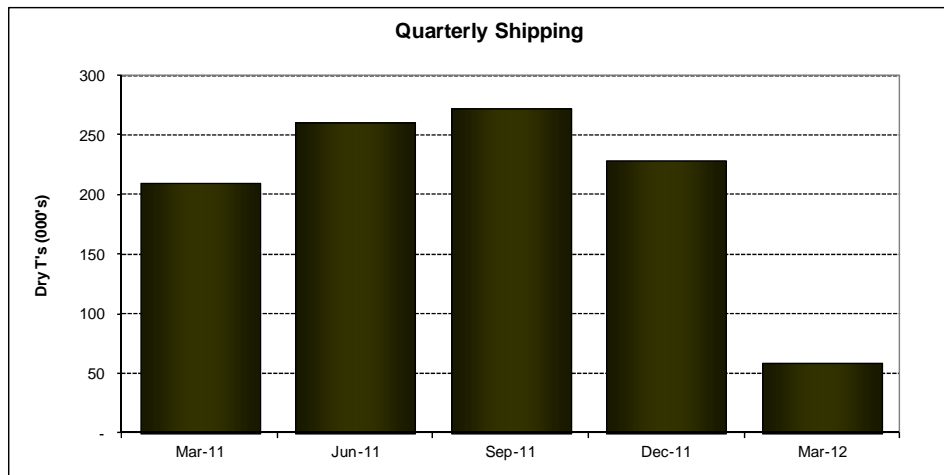


## Logistics

As previously announced rail logistics operations were affected during the quarter due to a Genesee & Wyoming Australia Pty Ltd ("GWA") freight train derailment that occurred on the Edith River Bridge north of Katherine on 27 December 2011 as a result of adverse wet conditions caused by Cyclone Grant. The freight train was not carrying any of the Company's manganese product from its Bootu Creek Mine at the time of the derailment.

OMM's rail service resumed on 25 February 2012 on reduced axel loads. Whilst axel load restrictions continue to apply indefinitely, GWA has offered OMM additional rail cars on the normal weekly services in order to make up total load capacity and which will allow OMM to seek to achieve its budgeted annual shipment targets for 2012.

During the March 2012 Quarter, a total of 58,957 dry tonnes (61,452 wet tonnes) of manganese product was exported in 2 shipments through the Port of Darwin. Normalised shipping operations recommenced in the month of March following the rail disruption and are expected to average 2 to 3 shipments per month for the remainder of the year in line with budgeted shipment volumes.



### Unit Operating Costs

C1 unit cash operating costs for the March 2012 Quarter were A\$2.88/dmtu FOB Darwin based on actual reported activity.

Allowing for normalised rail logistic activities, if the impact of the train derailment outlined above had not occurred, and based on budgeted rail volumes, the estimated C1 unit cash operating cost for the March 2012 Quarter would have been approximately A\$3.72/dmtu FOB Darwin.

### Exploration

During the March 2012 Quarter, the 31 December 2011 Bootu Creek Mineral Resource and Ore Reserve statement was released. As at 31 December 2011 the Bootu Creek Mineral Resources were estimated to be 32.3 million tonnes at 22.3% Mn<sup>(1)</sup>. Key features of the statement were the replacement of approximately 90% of the 2.3 million tonnes of ore processed through the Bootu Creek process plant in 2011 and the inclusion of three new manganese deposits.

Exploration at the Bootu Creek Mine and the surrounding Project areas is planned to recommence around mid May 2012.

The 2012 program is intended to replace Mineral Resources scheduled for depletion by mining in 2012, via the identification of new deposits and the delineation of new Mineral Resources.

### OMM Outlook

Production for Q2 2012 is estimated to be approximately 210,000 tonnes.

The current record high Chinese imported manganese ore demand environment along with a near-record low benchmark price for high grade ore has required the Bootu Creek Mine's operating strategy for 2012 to be optimised, so as to efficiently achieve budgeted production targets at lower operating costs. The Bootu Creek Mine's operating strategy for 2012 centres around a low cost, low strip ratio mine plan focused on accessing previously pre-stripped high grade and high yielding ore utilising a single mining fleet.

The mine's production target for 2012 will be between 850,000 tonnes, supported by continued strong demand for the mine's products in the Chinese market, and an ability to immediately respond to changing market conditions during the year. The mine's C1 unit production cost target under this mining and production strategy is expected to be in the order of A\$3.50/dmtu – A\$3.80/dmtu, sustainable for a 24-month period, before a further large pre-stripping campaign will be required. This revised strategy ensures a solid operating platform during the current price environment whilst allowing maximum production flexibility once the global manganese market conditions continue to improve.

<sup>(1)</sup> Refer ASX Announcement dated 24 February 2012 for detail of the categories of Mineral Resource.

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**OM MATERIALS (QINZHOU) Co Ltd (“OMQ”) (100%, Guangxi, China)**

Production from the Qinzhou smelter and sinter ore plant for the March 2012 Quarter is summarised below:

	<b>Mar 2012 Quarter</b>	<b>FYTD 2012</b>	<b>Dec 2011 Quarter</b>	<b>Mar 2011 Quarter</b>
Tonnes				
<b>Production</b>				
High Carbon Ferro Manganese ("HCFeMn")	<b>17,725</b>	17,725	21,809	16,484
Mn Sinter Ore	<b>45,458</b>	45,458	74,385	58,381
<b>Sales</b>				
High Carbon Ferro Manganese ("HCFeMn")	<b>16,136</b>	16,136	22,085	8,007
Mn Sinter Ore	<b>30,796</b>	30,796	24,983	8,946

**Production**

During the March 2012 Quarter, OMQ produced 17,725 tonnes of High Carbon Ferro Manganese ("HCFeMn"), representing a 7.5% increase compared to the March 2011 Quarter. This production result was achieved with the continuous and concurrent operation of both furnaces.

Manganese sinter ore production of 45,458 tonnes was achieved during the March 2012 Quarter, being 22% lower when compared to the March 2011 Quarter due to annual scheduled maintenance undertaken during February 2012.

**Sales**

During the March 2012 Quarter, sales of 16,136 tonnes and 30,796 tonnes of HCFeMn and manganese sinter ore respectively was achieved despite the Chinese Lunar New Year in January 2012. The increase in sales of HCFeMn and manganese sinter ore represented a significant 102% and 244% increase respectively compared to the March 2011 Quarter.

**OMQ Outlook**

As the optimised alloy and sinter production strategy is being executed, OMQ is on track to achieve its 2012 projected production of 63,000 tonnes of HCFeMn and 250,000 tonnes of manganese sinter ore.



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**OM MATERIALS (S) PTE LTD (“OMS”) (100%, Singapore)**  
**OM MATERIALS TRADING (QINZHOU) CO. LTD (“OMQT”) (100%, Guangxi, China)**  
**OM HUJIN SCIENCE AND TRADE (SHANGHAI) CO. LTD (“OMA”) (70%, Shanghai, China)**

### **MARKETING AND TRADING, AND MARKET OUTLOOK**

During the March 2012 Quarter, the Marketing and Trading division sold 542,469 tonnes of ore and 25,164 tonnes of alloy. Ore sales included manganese, chrome and iron. Manganese ore included third party sources used for the production and consumption of manganese sinter ore and HCFeMn by OMQ. Included within ore sales was 244,459 wet tonnes of iron ore concentrate under the exclusive marketing agency agreement between OMS and Northern Iron Limited (ASX Code: NFE).

China crude steel production for January to February 2012 was 112.6 million tonnes, representing a 1.4% decrease over the same period in 2011.

Year-to-date February 2012 global steel production achieved 241.1 million tonnes, down 2% over the same period in 2011, due to general weaker global market sentiments, especially in EU markets.

China imported 683,697 tonnes of manganese ore in January 2012, representing a 25% decrease month-on-month as compared to December 2011 volumes. Reduced imports can largely be attributed to reduced demand influenced by the seasonal Chinese New Year holiday shut-downs. De-stocking of port inventories continued during the quarter, with reported volumes estimated to have decreased to 3.1 million tonnes at the end of March 2012, down from 3.77 million tonnes at the end of December 2011. Current port inventories represent less than 3 months of import demand.

The high grade manganese ore benchmark price remained unchanged at US\$4.75/dmtu CIF China during Q1 2012. The May 2012 spot price has increased by 5.3% to US\$5.00/dmtu CIF China in a market characterised by continued strong demand driven by China and reducing supply. The supply side reductions are predominantly driven by production cuts by both Chinese domestic and high cost marginal seaborne producers, as well as by the continued impact of the Chinese port de-stocking process.

### **MALAYSIA**

**OM MATERIALS (SARAWAK)SDN BHD (“OM Sarawak”) (80%, Samalaju, East Malaysia)**

During the March 2012 Quarter, OM Sarawak achieved several key milestones with regards to progress of the project.

#### **Power Purchase Agreement (“PPA”)**

As previously announced on 2 February 2012, OM Sarawak executed a Power Purchase Agreement (“PPA”) with Syarikat Sesco Bhd. Under the PPA, OM Sarawak will have access to a competitively priced reliable power supply of 500 megawatts for an initial 20-year period with a fixed annual price escalation rate, which will underpin the project within the lowest cost quartile production of 300,000 tonnes of Ferro Silicon and 300,000 tonnes of Silico Manganese ferro alloys.

## Engineering Design

The majority of the civil and structural drawings of the proposed ferroalloy plant have been completed while the mechanical and electrical drawings are expected to be completed by Q2 2012.

## Earthworks

The Project is situated on approximately 500 acres of 60 year leasehold land. On-site earthworks are approximately 79% completed, and full completion is expected by end of the Q2 2012.



*Earthworks at the OM Samalaju Site*

## Environmental

The Detailed Environmental Impact Assessment (“DEIA”) report was submitted to the Department of Environment of Malaysia in February 2012. It is anticipated that, subject to normal processing, approval of the DEIA is expected by the end of Q2 2012.

## Marketing, Sales and Off-take

In addition to potential direct equity investment in OM Sarawak's ferro silicon production combined with a product off-take agreement for up to 100,000 tonnes per annum of ferro silicon product under a binding term sheet signed with JFE Shoji Trade Corporation announced on 17 January 2012, OM Sarawak made further progress with the execution of a marketing agreement with Hanwa Co., Ltd covering the sales and marketing of 80,000 tonnes of Ferro Silicon and 80,000 tonnes of Silico Manganese product, part of which is expected to be incorporated into a formal off-take agreement during Q2 2012.

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## **Project Financing**

OM Sarawak has been working closely with its financial advisor, Standard Chartered Bank to secure project financing for up to 70% of the Project's capital requirements. A preliminary information package has been released to prospective lenders and active engagement between these banks, OM Sarawak and its financial advisor continues. As is typical for a financing of this nature, to support the due diligence process of these prospective lenders, an independent technical engineer has been appointed to review all technical, commercial and operating aspects of the Project. A full information package is targeted to be released to these banks in Q2 2012, with the objective of securing credit approved commitments for the financing as soon as possible thereafter. An international law firm and Malaysian legal counsel have also been engaged to review all legal documentation associated with the Project.

## **OM HOLDINGS LIMITED**

### **CORPORATE**

#### **Tshipi e Ntle ("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. The remaining 49.9% share is owned by Jupiter Mines Limited.

Tshipi owns 2 manganese prospects in the world class Kalahari Manganese field, namely Tshipi Borwa and Tshipi Bokone, adjacent to the operating Mamatwan and Wessels mines respectively.

#### **Tshipi Borwa**

Activities at Tshipi Borwa included continued pre-stripping and construction of the 2.4 million tonne per annum processing plant and support facilities during the March 2012 Quarter. The project remains on track to commence production during H2 2012.

The capital budget for the construction of the Tshipi Borwa Mine remains in line with forecasts. As of 31 March 2012, OMH has contributed a total A\$11.3 million of its approved US\$34 million capex funding requirement towards the Tshipi Borwa project's development expenditure commitments.

#### **Construction**

Since commencement the project has achieved more than 100,000 Lost Time Injury free hours before the project's first Lost Time Injury occurred during the quarter, which resulted in two lost days.

The railway siding construction activities during the quarter included the completion of the fastening of the rail line, while overhead traction pylon and electric line installation and placement of ballasts are currently in progress. It is anticipated that the rail line will be completed in Q2 2012. The rapid load out station civil works commenced during the quarter while fabrication work is underway in the USA with delivery expected by Q2 2012.

Delivery and construction of mine offices, change house and the inventories store are in the process of being completed and plant construction commenced with foundation and structure preparation for the three product stockpile tunnels in progress.

Construction of 45 houses as lodging for local employees is well advanced with the first phase of houses delivered at the end of the March 2012 Quarter.

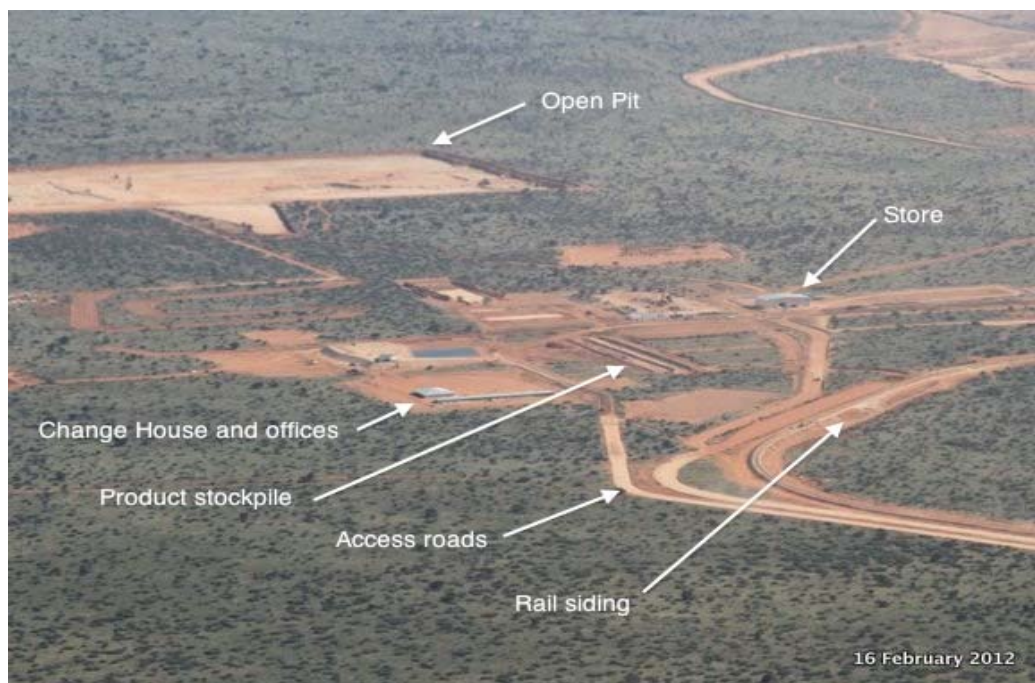


## Operations

Pre-stripping of the Tshipi Borwa open cut pit continued with the pit reaching a depth of 27 metres by the end of the March 2012 Quarter.

The Tshipi mining contractor has three Komatsu PC3000 excavators operating in the Borwa pit and a fourth shovel will be mobilised during April 2012, once the majority of the pre-strip activity is concluded following which the number of machinery deployed will decrease in line with the mine plan.

The management team of Tshipi hosted a visit by Transnet representatives as part of Transnet's final due diligence evaluation for the Tshipi Borwa mine. It is anticipated that formal rail contract negotiations will commence during Q2 2012 for a rail allocation to Port Elizabeth, in line with the Manganese Export Capacity Allocation ("MECA") process, and contracts are expected to be concluded in early Q3 2012.



*Tshipi Borwa site aerial photo*

## **Capital**

As at 31 March 2012 the Company had 604,105,150 ordinary shares, 25,000,000 convertible notes and 21,000,000 unlisted options on issue. During the quarter 5,000,000 unlisted options expired.

## **Capital Raising Initiatives and Financing**

As announced on 27 February 2012, the Company completed a placement of 75 million shares at an issue price of A\$0.35 each, raising gross proceeds of A\$26.25 million. The share placement was made to a strategic investor, Boustead Singapore Limited, and a small number of new Asia based institutional shareholders. The share issue was approved by Shareholders at a Special General Meeting held on 21 February 2012. The net proceeds of the share placement will finance development activities at the ferroalloy project in Malaysia owned by OM Sarawak, as well as assist in the timely financial close of the project.



As announced on 7 March 2012, the Company completed the issue of the following securities to Hanwa Co., Ltd which raised total gross proceeds of approximately A\$29.8 million:

- 25,000,000 convertible notes raised an aggregate principal amount of US\$21,447,261 with the 5.0% convertible notes due on 6 March 2016 and convertible in accordance with the terms and conditions of issue including an initial conversion price of A\$0.80 per share; and
- 25,000,000 ordinary shares at an issue price of A\$0.3907 per share, raised gross proceeds of A\$9,767,500.

The proceeds of the issuance of the convertible notes and the ordinary shares will be used to further finance development at the OM Sarawak ferroalloy project in Malaysia.

On 13 March 2012, OM Materials (S) Pte Ltd ("OMS"), a wholly-owned subsidiary of the Company, completed a loan restructuring process of its term loan facilities advanced by Standard Chartered Bank.

The total amount outstanding under these facilities as at 31 March 2012 was A\$90,254,000.

The key aspects of the restructuring were:

- an extension of the term of the consolidated loan facilities;
- a revised repayment schedule covering the components of the loan facility for the period between April 2012 and April 2015;
- a reduction of approximately US\$18 million (A\$17.5 million) principal repayable by the Group during the next 12 months, when compared to the original (pre-restructure) repayment schedule, allowing the Group additional financial flexibility as it implements its revised operating strategy and manages the operations through the current challenging market conditions whilst it executes its key strategic growth projects;
- OMH pledging its shareholding held in Northern Iron Limited (which at 31 March 2012 had a market value of approximately A\$50 million);
- OMH pledging its shareholding in its subsidiary which holds the indirect interest in the Tshipi Borwa project; and
- Amendment of financial covenants.

The revised repayment schedule will improve the Group's debt maturity profile and provide increased financial flexibility to enable the Group to execute its operating strategy and the early-stage development of the Sarawak ferroalloy project in Malaysia.

Debt servicing will continue to occur via operating cash flows, the divestment of non-core investments and other alternatives currently under assessment.

Yours faithfully

**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley

**Company Secretary**

*The information in this report which relates to Reporting of Exploration Results, Mineral Resources and Ore Reserves estimation is based on information compiled and checked by Mr Craig Reddell a full time employee of OM (Manganese) Ltd and a Member of the Australasian Institute of Mining and Metallurgy, and modelled by Mr Mark Drabble of Optiro Pty Ltd and Mr Paul O'Callaghan of DumpSolver Pty Ltd, both Members of the Australasian Institute of Mining and Metallurgy. Mr Reddell, Mr Drabble and Mr O'Callaghan 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 Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell, Mr Drabble and Mr O'Callaghan 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

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 1,000,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 2,400km<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 holds a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which holds a 50.1% interest in the world class Tshipi Borwa manganese project in South Africa.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- 14% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway; and
- 8% shareholding in **Shaw River Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana; and