

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

ENVIRONMENTAL APPROVAL FOR SARAWAK FERRO ALLOY SMELTING PROJECT AND OMM EXPLORATION UPDATE

The Board of OM Holdings Limited ("OMH" or "the Company") is pleased to provide the following environmental update on the Company's ferro alloy smelting project which is 80% owned by OM Materials (Sarawak) Sdn Bhd ("OM Sarawak") as well as an exploration update for its wholly-owned subsidiary OM (Manganese) Ltd ("OMM").

HIGHLIGHTS

OM SARAWAK

- **Detailed Environmental Impact Assessment ("DEIA") approval received from the Department of Environment of Malaysia ("DOE"), representing a major milestone in the project's development and paving the way towards construction commencement during H2 2012**

OMM EXPLORATION STRATEGY UPDATE

- **The Company's Australian exploration strategy, for the short-to-medium term, to be focused on Northern Territory assets**
- **Three year Australian exploration program with budgeted expenditure of A\$2 million per annum, focusing on extending the operating life of the Bootu Creek manganese mine**
- **2012 exploration program commenced in line with new strategy**
- **Geophysical survey in progress, successfully identifying drill targets**
- **15,000 metre RC drill program for 2012 to commence shortly over three project areas**
- **Withdrawal from South Australian exploration farm-ins**

OMMATERIALS (SARAWAK) SDN BHD ("OM Sarawak") (80%, Samalaju, East Malaysia)

OM Sarawak has obtained Detailed Environmental Impact Assessment ("DEIA") approval from the Department of Environment of Malaysia. The DEIA was prepared and submitted in accordance with the Sarawak State's Natural Resources and Environment Order, 1997 and Malaysia's Environmental Quality Act, 1974. This environmental approval represents a major milestone in the development of the Company's ferro alloy smelting project, being a pre-requisite for securing project financing and commencement of construction.

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The required DEIA documents have undergone a public review process and approvals have been obtained from various state and federal government departments.

The review process provided the project's various stakeholders with the opportunity to understand the project's key environmental risks and opportunities, and allowed the OM Sarawak to communicate its environmental management plans and receive feedback so as to improve its environmental management systems, processes and procedures.

The approval is valid for a period of 2 years within which plant construction must commence. The approval conditions require the project to adhere to industrial environmental standard emission targets and best practice environmental control and monitoring systems, including discharge and real time emission monitoring, as part of the project's environmental management systems. The conditions imposed by DOE are fully acceptable to the project owners.

The DEIA approving authorities included the Department of Environment of Malaysia, the Natural Resources and Environment Board of Sarawak and the State Planning Authority of Sarawak. Key regulations that the DEIA report complied with included the Environmental Quality (Sewage) Regulations 2009, the Environmental Quality (Industrial Effluent) Regulations 2009, the Environmental Quality (Scheduled Wastes) Regulations 2005, the Environmental Quality (Clean Air) Regulations 1979, the Occupational Safety and Health Act 1994 (Act 514) and Regulations, the Occupational Safety and Health (Employers' Safety and Health General Policy Statements) (Exception) Regulations 1995, the Factories and Machinery (Amendment) Act 2006 and the Fire Services Act 1988.

OM (MANGANESE) LTD ("OMM")

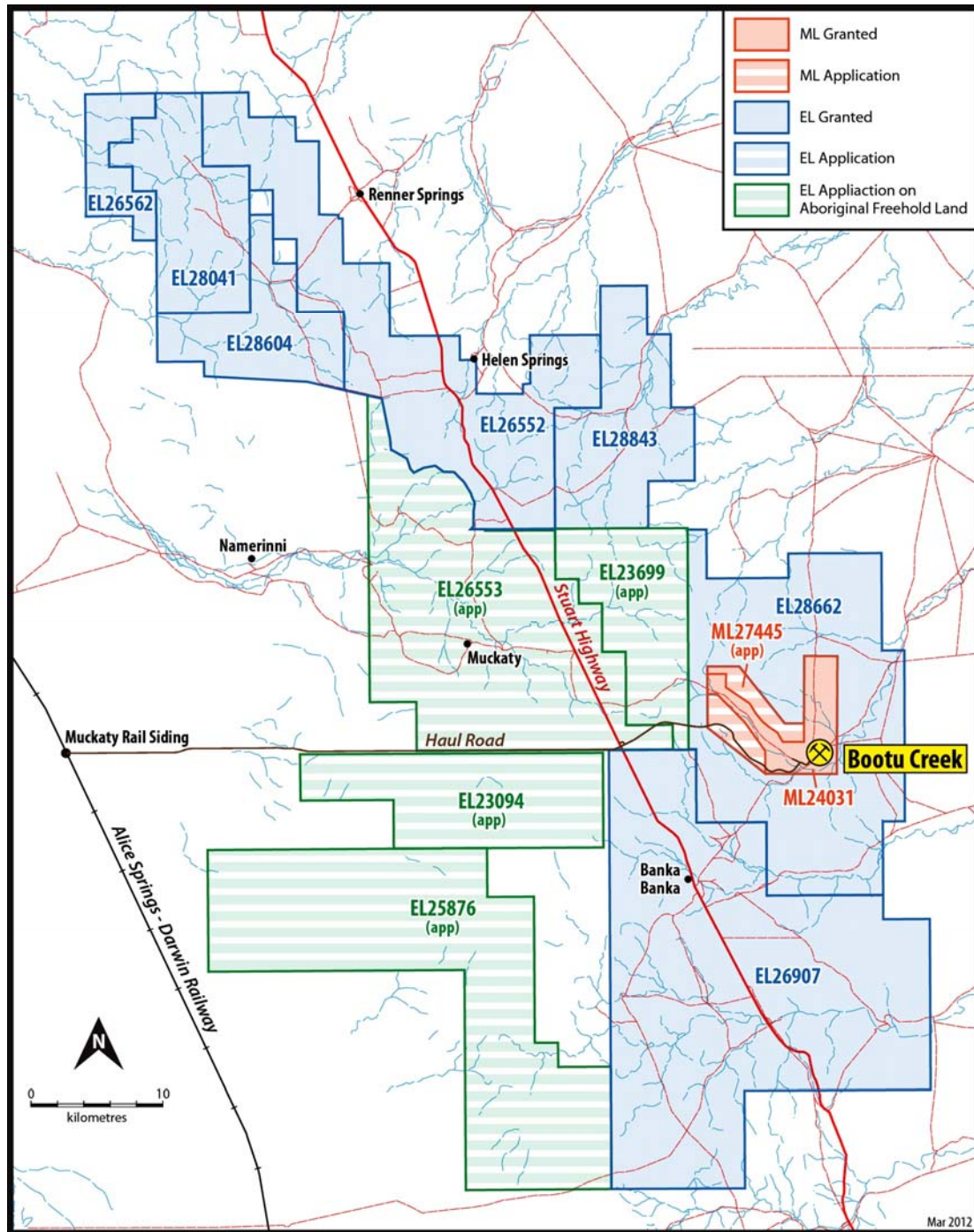
OMM Exploration

The primary focus of the Northern Territory 2012 exploration program will be on the three 100% owned prospective project areas including Bootu Creek along with Helen Springs and Renner Springs both located adjacent to the operating Bootu Creek manganese mine.

The 2012 exploration program commenced with geophysical surveys underway in preparation for a well-targeted drilling program. The Gradient Array IP geophysical surveys, used successfully in the past to identify new mineral resources, have already identified additional drill targets to the north of the existing identified Mineral Resources at Bootu Creek.

Drilling will commence in early June with a planned 15,000 metres of reverse circulation ("RC") drilling on the Bootu Creek, Helen Springs and Renner Springs tenements. The drill program is designed to target the identification of new deposits and the extension of the existing 32.3 million tonnes of Mineral Resources at Bootu Creek (Table 1). The key objective is to replace Mineral Resources scheduled for depletion by mining at the Bootu Creek manganese mine in 2012, so as to extend the mine's operating life.

Figure 1. Location of Bootu Creek mine site and exploration tenements



As at 31 December 2011 the Bootu Creek Mineral Resource was estimated to be 32.3 million tonnes at 22.3% Mn as detailed below (refer to ASX Announcement made on 24 February 2012 for further details).



Table 1. Bootu Creek: Mineral Resource Summary for 31 December 2011

At 15% Mn cutoff	Measured		Indicated		Inferred		Combined*	
	Mt	%Mn	Mt	%Mn	Mt	%Mn	Mt	%Mn
Deposit:								
Chugga North	0.5	23.1	3.1	22.5			3.7	22.6
Chugga South	0.4	23.8	1.6	22.4			2.0	22.7
Foldnose			0.4	21.1	0.1	21.3	0.5	21.2
Gogo	0.3	25.4	1.3	26.0	0.2	27.0	1.7	26.0
Masai	1.0	23.7	5.0	22.0			6.0	22.3
Shekuma	0.8	25.3	2.8	24.9			3.6	25.0
Tourag	0.7	24.4	2.4	22.3			3.1	22.8
Yaka			4.6	21.9			4.6	21.9
Zulu			2.2	21.4	0.4	19.6	2.6	21.1
Zulu South			0.7	20.0			0.7	20.0
Renner West					0.3	21.9	0.3	21.9
Insitu Resource*	3.7	24.2	24.1	22.5	1.0	21.9	28.8	22.7
ROM Stocks	1.3	16.5					1.3	16.5
SPP Stocks	2.2	20.1					2.2	20.1
Total Resource*	7.2	21.6	24.1	22.5	1.0	21.9	32.3	22.3

* Rounding gives rise to unit discrepancies in this table

Farm-in Withdrawals

OMM has elected to withdraw from Farm-in Agreements with Monax Mining Limited (ASX Code: MOX) and Archer Exploration Limited (ASX Code: AXE).

Recent drilling by both companies did not identify potential for mineral resources of a scale required by OMM to support a significant manganese mining and processing operation. Accordingly the priority for the remainder of 2012 will be focussed on OMM's 100% owned tenements located in the Northern Territory.

Under the terms of the respective Farm-in Agreements, OMM had the right to earn a 60% participating interest in all ferrous minerals (including manganese and iron ore) on MOX's Waddikee Tenement EL4662 (replacing EL3357), ("Waddikee Tenement") by funding expenditure of A\$2 million and AXE's Carappee Hill Tenement EL3711 ("Carappee Hill Tenement") by funding expenditure of A\$600,000 over a 4-year period. For further details of the agreements refer to ASX Announcements 27 August 2009 and 28 January 2010 respectively.

OMM is withdrawing prior to fully funding the required farm-in expenditure and as such will have no residual interest in either the Waddikee or Carappee Hill Tenements or have any further funding obligations.

There is no further financial impact related to these withdrawals as the farm-in expenditure had been expensed as incurred over the farm-in periods in the prior years, and had accordingly been recorded in the prior years' consolidated financial statements.



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.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

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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 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 2,400km².

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.