

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

MARCH 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 quarter of 15,067 tonnes as Workshops A01 and A02 continued to ramp up production
- Overall construction progress of Phase 1 of the OM Sarawak ferrosilicon production facility (expressed in terms of cumulated earned value) stands at approximately 90% at the end of March 2015
- Testing and commissioning of Workshop A03 started in February while Workshop B01 is currently being prepared for testing and commissioning
- Workshop B02 and B03 have started full scale equipment installation works during the quarter
- Civil and structural works for B04 and B05 Workshops nears completion

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

- March 2015 quarterly manganese ore production of 158,038 tonnes grading 35.59%
- March 2015 quarterly manganese ore shipments of 123,361 dry tonnes (131,136 wet tonnes) grading 35.32%



PROCESSING (OMQ, 100% owned Smelter and Sinter Plant in Qinzhou)

- No production activity occurred during the March 2015 Quarter as the furnaces were shut down for relining and maintenance on 27 November 2014
- High Carbon Ferro Manganese (“HCFMn”) sold during the quarter of 6,239 tonnes despite the above noted temporary cessation of production

MARKETING AND TRADING, AND MARKET UPDATE

- 345,000 tonnes of equity and third party ores and alloys were transacted during the quarter. These included approximately 8,800 tonnes of ferrosilicon from our new smelter in Sarawak
- China’s crude steel production between January to March 2015 amounted to 200 million tonnes, representing a 0.55% quarter-on-quarter increase
- World crude steel production for the March 2015 Quarter was 399.94 million tonnes, representing a slight 0.13% 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. The plant is currently ramping up its production while construction of the remaining workshops is also ongoing. Upon completion, the ferrosilicon production facility has the capacity to produce 308,000 tonnes of ferrosilicon alloys per annum.

For Phase 1 of the Project, production from the commissioned A01 and A02 Workshops continue to ramp up. Production output has significantly increased by approximately 80% as compared to the December 2014 Quarter. The last Main Workshop in Plant A, A03 Workshop, started testing and commissioning in February 2015 and is expected to commence production in the 2nd quarter of 2015.

For Plant B, Main Workshop B01 is in the final preparation stage for the commencement of testing and commissioning, while Main Workshops B02 and B03 is currently undergoing full scale equipment installation works.

Commercial Operation

OM Sarawak continues to benefit from the positive momentum generated with the successful tapping from furnace 1 to 4 of the A01 and A02 Workshops and continues to ramp up production output of ferrosilicon. During the quarter, a total of 15,067 tonnes of ferrosilicon was produced, an increase of approximately 80% over the last reported quarter in 2014.

The Company will continue to optimise the production rate of ferrosilicon with more furnaces scheduled to come online in the next quarter. The production rate is set to grow rapidly which is expected to lead to the enhancement of the Group’s market share and improve the Group’s financial performance.

Construction

The overall construction progress expressed as the cumulated earned project value was approximately 90% at the end of March 2015.

EPC’s Delivery and Performance

The EPC contract works for civil, structural, equipment fabrication and installation work’s cumulated earned value was approximately 90% complete at the end of the March 2015 Quarter.

Construction and equipment installation works for Plant A’s Workshops, auxiliary facilities and external infrastructure has been completed. Maintenance work for all buildings and equipment in Plant A is currently being performed by the EPC contractor under the project warranty.

Concrete construction and steel structure installation works for all Main Workshops and auxiliary buildings in Plant B have also been completed. The remaining works for Plant B’s internal building refurbishing is expected to be completed by the end of the June 2015 Quarter.

Testing and commissioning of A03 Main Workshop’s furnaces commenced in February 2015. Installation works for the main building of B01 Workshop and its auxiliary buildings in Plant B are close to completion and has been scheduled for testing and commissioning in the June 2015 Quarter.

Full scale equipment installation commenced in Main Workshops B02 and B03 during the quarter. Equipment installation for Main Workshops B04 and B05, and its auxiliary buildings, is expected to start in the June 2015 Quarter.



B01 Main Workshop getting ready for testing and commissioning



Plant A



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

Production from the Bootu Creek Manganese Mine for the March 2015 Quarter is summarised below:

	Unit	Mar 2015 Quarter	YTD 2015	Dec 2014 Quarter	Mar 2014 Quarter
Mining					
Total Material Mined	bcms	1,461,477	1,461,477	1,844,881	1,538,417
Ore Mined – tonnes	dt	460,660	460,660	486,628	421,705
Ore Mined – Mn grade	%	21.09	21.09	21.16	23.17
Production					
Lumps – tonnes	dt	103,123	103,123	134,910	167,385
Lumps – Mn grade	%	34.93	34.93	35.60	34.00
Fines/SPP – tonnes	dt	54,915	54,915	57,231	54,305
Fines/SPP – Mn grade	%	36.82	36.82	37.23	37.05
Total Production – tonnes	dt	158,038	158,038	192,141	221,690
Total Production – Mn grade	%	35.59	35.59	36.09	34.75
Sales					
Lumps – tonnes	dt	91,246	91,246	134,015	146,494
Lumps – Mn grade	%	34.62	34.62	36.00	34.12
Fines/SPP – tonnes	dt	32,116	32,116	57,104	50,558
Fines/SPP – Mn grade	%	37.30	37.30	37.00	36.43
Total Sales – tonnes	dt	123,361	123,361	191,119	197,052
Total Sales – Mn grade	%	35.32	35.32	36.30	34.71

Mining

During the March 2015 Quarter, mining activities were conducted in the Yaka, Tourag and Chugga South deposits. Mining operations were focused on accessing remnant exposed ore in the Yaka and Tourag deposits whilst a cut back of the Chugga South/Chugga Bridge deposit commenced late in the quarter.

Mining costs continued to decrease during the March 2015 Quarter with further efficiency improvements and the re-optimised mine plan continuing to deliver benefits within a fully integrated owner-miner model.

Whilst total overall rainfall during the current wet season has been lower than historical averages, the rainfall events during the month of January 2015 were particularly severe (greater than 280 mm). This was the result of several cyclonic events in Northern Australia early in the quarter restricting mining, processing and logistics activities. Several smaller, yet frequent, rainfall events continued to affect ground conditions causing operational and mine schedule delays until mid-way through the March 2015 Quarter. Ground conditions improved significantly thereafter and mining operations returned to normalised levels.

Processing

The mine achieved an ore production of 158,038 tonnes for the March 2015 Quarter at an average grade of 35.59% Mn. Production during the month of January was particularly



affected by severe rainfall events. Site conditions improved later in the March 2015 Quarter, with production in the month of March exceeding 70,000 tonnes.

Logistics

During the March 2015 Quarter, a total of 123,361 dry tonnes (131,136 wet tonnes) of manganese product was exported through the Port of Darwin in 4 vessels.

Unit Operating Costs

The C1 unit cash operating cost for the March 2015 Quarter was A\$4.10/dmtu.



PROCESSING

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

Production from the Qinzhou smelter and sinter plant for the March 2015 Quarter is summarised below:

	Mar 2015 Quarter	YTD 2015	Dec 2014 Quarter	Mar 2014 Quarter
Tonnes				
Production				
High Carbon Ferro Manganese ("HCFeMn")	0	0	16,752	21,013
Mn Sinter Ore	0	0	0	34,230
Sales				
High Carbon Ferro Manganese ("HCFeMn")	6,239	6,239	19,622	16,913
Mn Sinter Ore	0	0	0	23,579

Production

There was no production activity during the March 2015 Quarter as OMQ's production was temporarily ceased for furnace relining and maintenance on 27 November 2014. We expect to restart the plant and recommence operations again in the middle of 2015 in order to utilise cheaper power available during the wet season in Guangxi Province, China.

Sales

During the March 2015 Quarter, OMQ secured sales of 6,239 tonnes of HCFeMn despite the temporary cessation of production.

MARKETING AND TRADING, AND MARKET UPDATE

During the March 2015 Quarter, a total of 345,000 tonnes of ores and alloys was transacted. This included about 9,000 tonnes of ferrosilicon from the ramp up of OM Sarawak's furnaces.

According to Worldsteel, crude steel production in China between January to March 2015 amounted to 200 million tonnes, representing a 0.55% increase against the December 2014 Quarter. However, this was 0.52% lower comparing to the corresponding quarter in 2014 signifying some slow-down in steel production.

Towards the end of March 2015, prices of 44% Mn declined from the previous quarter, falling to US\$3.20-US\$3.40/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 March 2015 Quarter totalled 474,837 tonnes (1Q 2014: 393,532 tonnes) representing a 20.7% increase from the corresponding quarter in 2014.

Construction on the permanent 2.4 million tonne per annum processing plant and support facilities continues and is expected to be completed within the year.

SALE OF 5% INTEREST IN SARAWAK PROJECT

As announced on 25 March 2015, the Company's wholly owned subsidiary, OM Materials (S) Pte. Ltd. (“OMS”) successfully executed a Share Sale Agreement in respect of the sale of a 5% equity interest in the Sarawak Project to joint venture partner Samalaju Industries Sdn. Bhd. (“SISB”). SISB is a wholly owned subsidiary of Cahya Mata Sarawak Berhad.

Under the terms of the Share Sale Agreement, the consideration paid by SISB to OMS for the transfer of the 5% interest in the Sarawak Project was USD18.45 million. The proceeds from this sale will be used for the development of the Phase II of Sarawak smelter project and for working capital needs of the Company.

With the completion of the transfer, OMS's effective interest in the Sarawak Project is 75% and SISB's effective interest is 25%.

CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter. As at 31 March 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 is constructing a smelter in Sarawak, Malaysia to produce ferrosilicon and ferro-manganese intermediate products. The smelter project is owned 75% by OMH.

The first phase of the Sarawak smelter project commenced production in September 2014 and will ramp up to full commercial 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 Ntsimbintle Mining (Proprietary) Ltd, 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 Chinese market.