

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

JUNE 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 16,294 tonnes
- Overall construction progress of Phase 1 of the OM Sarawak ferrosilicon production facility (expressed in terms of cumulated earned value) stands at approximately 93.6% at the end of June 2015
- Completed testing and commissioning of Workshop A03 which has achieved commercial production during the quarter
- Workshop B01 and B02 have started testing and commissioning in June 2015
- Workshop B03, B04 and B05 are in full scale equipment installation works during the quarter

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

- June 2015 quarterly manganese ore production of 190,686 tonnes grading 35.23%
- June 2015 quarterly manganese ore shipments of 164,817 dry tonnes (173,114 wet tonnes) grading 35.85%



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

- OMQ resumed production with one furnace on 28 April 2015 with total production of 7,129 tonnes of High Carbon Ferro Manganese (“HCFeMn”) during the June 2015 Quarter
- HCFeMn sold during the quarter of 2,077 tonnes

MARKETING AND TRADING, AND MARKET UPDATE

- 498,386 tonnes of equity and third party ores and alloys were transacted during the quarter. These included approximately 10,834 tonnes of ferrosilicon from our smelter in Sarawak
- China’s crude steel production between April to June 2015 amounted to 207.8 million tonnes, representing a 0.36% quarter-on-quarter decrease
- World crude steel production for the June 2015 Quarter was 409.89 million tonnes, representing a slight 2.40% 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 with a design capacity to produce 308,000 tonnes of ferrosilicon alloys per annum.

For Phase 1 of the Project, Plant A (consisting of A01, A02 and A03 Workshops) has achieved commercial production. With the additional production capacity of the A03 Workshop, a total of 16,294 tonnes of ferrosilicon was produced in the 2nd quarter of 2015.

For Plant B, Main Workshops B01 and B02 have started testing and commissioning in June 2015. Main Workshops B03 to B05 is currently undergoing full scale equipment installation works.

Commercial Operation

OM Sarawak continues to maintain an upward trajectory generated from the successful tapping and production from furnace 1 to 4 of the A01 and A02 Workshops. With the successful tapping and addition of furnace 5 and 6 from the A03 Workshop in the June 2015 Quarter, the production output of ferrosilicon continues to move towards fulfilling the design production capacity of 308,000 tonnes of ferrosilicon alloy per annum.

During the June 2015 Quarter, a total of 16,294 tonnes of ferrosilicon was produced.

Construction

The overall construction progress expressed as the cumulated earned project value was approximately 93.6% at the end of June 2015.

EPC’s Delivery and Performance

The EPC contract works for civil, structural, equipment fabrication and installation work’s cumulated earned value was approximately 93.6% complete at the end of the June 2015 Quarter.

The major milestones achieved in the June 2015 Quarter were the successful commencement of Workshop A03 and the commencement of testing and commissioning for both the B01 and B02 Workshops.

Construction of the remaining civil and structural works in Plant B is currently being done by the EPC contractor. Equipment installation work and construction of the auxiliary buildings for the remaining B03, B04 and B05 Main Workshops are currently underway.



A03 Main Workshop furnace 6 tapping in progress



B01 Main Workshop getting ready for commercial production



EXPLORATION AND MINING

OM (MANGANESE) LTD (“OMM”)

BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)

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

	Unit	Jun 2015 Quarter	YTD 2015	Mar 2015 Quarter
Mining				
Total Material Mined	bcms	1,477,765	2,939,242	1,461,477
Ore Mined – tonnes	dt	521,111	981,771	460,660
Ore Mined – Mn grade	%	22.00	21.57	21.09
Production				
Lumps – tonnes	dt	130,981	234,104	103,123
Lumps – Mn grade	%	34.72	34.81	34.93
Fines/SPP – tonnes	dt	59,705	114,620	54,915
Fines/SPP – Mn grade	%	36.32	36.56	36.82
Total Production – tonnes	dt	190,686	348,724	158,038
Total Production – Mn grade	%	35.23	35.59	35.59
Sales				
Lumps – tonnes	dt	131,039	222,284	91,246
Lumps – Mn grade	%	36.04	35.46	34.62
Fines/SPP – tonnes	dt	33,778	65,894	32,116
Fines/SPP – Mn grade	%	35.11	36.18	37.30
Total Sales – tonnes	dt	164,817	288,178	123,361
Total Sales – Mn grade	%	35.85	35.62	35.32

Mining

During the June 2015 Quarter, mining activities were conducted in the Yaka, Tourag and Chugga South deposits early in the quarter, and subsequently concentrated across the Chugga South, GoGo and Shekuma deposits later in the quarter.

In the later part of the June 2015 Quarter, full mining operations were focused on the Chugga South and Chugga Bridge deposits, and also on the higher grade GoGo and Shekuma deposits. Concentration of the mining fleets within the eastern limb of the Bootu Creek Syncline added further efficiency and unit cost improvements given the deposits relative proximity to the processing plant, mining workshop and associated infrastructure.

Higher grade ores from the Chugga South, GoGo and Shekuma deposits are expected to form the basis of plant feed for the medium term adding to expected improved processing plant mass yields.

Processing

The mine achieved ore production of 190,686 tonnes for the June 2015 Quarter at an average grade of 35.23% Mn as the benefit of higher yielding ores from the higher grade deposits were treated through the plant later in the June 2015 Quarter.



Logistics

During the June 2015 Quarter, a total of 164,817 dry tonnes (173,114 wet tonnes) of manganese product was exported through the Port of Darwin in 5 vessels.

Unit Operating Costs

The C1 unit cash operating cost for the June 2015 Quarter improved to A\$3.53/dmtu (US\$2.75/dmtu) based on increased mining efficiencies, improved process plant yields and cost reduction strategies.

PROCESSING

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

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

	Jun 2015 Quarter	YTD 2015	Mar 2015 Quarter
Tonnes			
Production			
High Carbon Ferro Manganese ("HCFeMn")	7,129	7,129	0
Mn Sinter Ore	0	0	0
Sales			
High Carbon Ferro Manganese ("HCFeMn")	2,077	8,316	6,239
Mn Sinter Ore	0	0	0

Production

During the June 2015 Quarter, OMQ produced 7,129 tonnes of HCFeMn as production resumed with one furnace on 28 April 2015.

Sales

During the June 2015 Quarter, OMQ secured sales of 2,077 tonnes of HCFeMn.

MARKETING AND TRADING, AND MARKET UPDATE

During the June 2015 Quarter, a total of 498,386 tonnes of ores and alloys was transacted. This included about 10,834 tonnes of ferrosilicon from the ramp up of OM Sarawak's furnaces.

According to Worldsteel, crude steel production in China between April to June 2015 amounted to 207.8 million tonnes, representing a 3.90% increase against the March 2015 Quarter. However, this was 0.36% lower comparing to the corresponding quarter in 2014 signifying some slow-down in steel production.

Towards the end of June 2015, prices of 44% Mn declined further by US\$0.20/dmtu from the previous quarter, falling to US\$3.00/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 June 2015 Quarter totalled 509,359 tonnes (Q2 2014: 534,836 tonnes) representing a 4.8% decrease from the corresponding quarter in 2014.

Construction on the primary crushing circuit of the 2.4 million tonne per annum processing plant was completed in the June 2015 Quarter.

CAPITAL STRUCTURE

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