

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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30 October 2015

ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

SEPTEMBER 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 September 2015 quarter of 29,179 tonnes
- Overall construction progress of Phase 1 of the OM Sarawak ferrosilicon production facility (expressed in terms of cumulated earned value) stands at approximately 97.0% at the end of September 2015
- Completed testing and commissioning of Workshops B01 to B03 which have achieved commercial production during the quarter
- Workshop B04 has started testing and commissioning in September 2015
- Workshop B05 is near completion of equipment installation

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

- September 2015 quarterly manganese ore production of 223,551 tonnes grading 35.79%
- September 2015 quarterly manganese ore shipments of 229,427 dry tonnes (240,332 wet tonnes) grading 35.40%



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

- OMQ resumed production with one furnace on 28 April 2015 with total production of 11,422 tonnes of High Carbon Ferro Manganese (“HCF Mn”) during the September 2015 Quarter
- HCF Mn sold during the quarter of 7,473 tonnes

MARKETING AND TRADING, AND MARKET UPDATE

- 616,790 tonnes of equity and third party ores and alloys were transacted during the quarter. These included approximately 16,497 tonnes of ferrosilicon from our smelter in Sarawak
- China’s crude steel production between July to September 2015 amounted to 198.9 million tonnes, representing a 4.28% quarter-on-quarter decrease
- World crude steel production for the September 2015 Quarter was 396.1 million tonnes, representing a 3.36% 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.

As at the end of September 2015, Plant A (consisting of A01, A02 and A03 Workshops) and three workshops of Plant B (consisting of the B01, B02 and B03 Workshops) have achieved commercial production. With the additional production capacity of the three workshops of Plant B, a total of 29,179 tonnes of ferrosilicon was produced in the 3rd quarter of 2015.

Main Workshop B04 has commenced testing and commissioning in September 2015. Main Workshop B05, the last workshop for Plant B, is nearing completion of installation works.

Commercial operation

OM Sarawak continues to improve the operating efficiency of each furnace currently in production. With the addition and successful tapping from furnaces 7 to 12 of the B01 to B03 Workshops during the current quarter, the production output of ferrosilicon continues to move towards meeting the nameplate production capacity of 308,000 tonnes of ferrosilicon alloy per annum.

During the September 2015 Quarter, a total of 29,179 tonnes of ferrosilicon was produced, representing an increase of 12,885 tonnes compared to the June 2015 Quarter.

Construction

The overall construction progress expressed as the cumulated earned project value was approximately 97.0% at the end of September 2015.

EPC’s delivery and performance

The EPC contract works for civil, structural, equipment fabrication and installation work’s cumulated earned value was approximately 97.0% complete at the end of the September 2015 Quarter.

The major milestones achieved during the current quarter were the successful commencement of commercial production of Workshops B01 to B03 and the initiation of testing and commissioning for the B04 Workshop.

The majority of the civil and structural works in Plant B has been completed, with only minor fine-tuning work left to be done. Equipment installation work for the final remaining B05 Main Workshop is currently progressing well and also near completion.



B05 Belt Conveyor system installation



Panoramic view of phase 1



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

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

	Unit	Sept 2015 Quarter	YTD 2015	Jun 2015 Quarter
Mining				
Total Material Mined	bcms	1,592,016	4,531,258	1,477,765
Ore Mined – tonnes	dt	516,377	1,498,147	521,111
Ore Mined – Mn grade	%	24.19	22.47	22.00
Production				
Lumps – tonnes	dt	165,277	399,381	130,981
Lumps – Mn grade	%	35.28	35.01	34.72
Fines/SPP – tonnes	dt	58,274	172,894	59,705
Fines/SPP – Mn grade	%	37.24	36.79	36.32
Total Production – tonnes	dt	223,351	572,275	190,686
Total Production – Mn grade	%	35.79	35.55	35.23
Sales				
Lumps – tonnes	dt	184,501	406,785	131,039
Lumps – Mn grade	%	35.16	35.32	36.04
Fines/SPP – tonnes	dt	44,927	110,820	33,778
Fines/SPP – Mn grade	%	36.40	36.27	35.11
Total Sales – tonnes	dt	229,427	517,605	164,817
Total Sales – Mn grade	%	35.40	35.53	35.85

Mining

During the September 2015 Quarter, a total of 1.59 million bcms of material was mined including 516,377 tonnes of ore. Mining activities were concentrated across the Chugga South, Chugga North, GoGo and Shekuma deposits.

Concentration of the mining fleets within the eastern limb of the Bootu Creek Syncline continue to add further efficiency and unit cost improvements within the mining operation given the deposit's relative proximity to the processing plant, mining workshop and associated infrastructure.

Higher grade ores from the Chugga South, GoGo and Shekuma deposits continue 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 223,551 tonnes for the September 2015 Quarter at an average grade of 35.79% Mn with the benefit of higher yielding ores from the higher grade deposits which were treated through the plant during the quarter.

Logistics

During the September 2015 Quarter, a total of 229,427 dry tonnes (240,332 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 September 2015 Quarter improved to A\$3.00/dmtu (US\$2.66/dmtu) based on increased mining efficiencies, improved process plant yields and cost reduction strategies.

Others

Northern Territory Mineral Royalties

OMM had previously advised that it had commenced proceedings in the Supreme Court of the Northern Territory in relation to a dispute over the payment of mineral royalties under the Northern Territory *Mineral Royalty Act* (MRA). The Company is pleased to report that the dispute has been settled with the Territory Revenue Office out of court, subject to a Deed of Settlement that imposes confidentiality obligations upon the parties.

OMM can report that the MRA mineral royalties for the years 2006 to 2011 have been determined and that, as at the end of 2011, OMM is (in accordance with the MRA) in a negative net value position and has no current mineral royalty liabilities. Accordingly, the Supreme Court action is in the process of being discontinued.

PROCESSING

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

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

	Sept 2015 Quarter	YTD 2015	Jun 2015 Quarter
Tonnes			
Production			
High Carbon Ferro Manganese ("HCFMn")	11,422	18,551	7,129
Mn Sinter Ore	0	0	0
Sales			
High Carbon Ferro Manganese ("HCFMn")	7,473	15,789	2,077
Mn Sinter Ore	0	0	0

Production

During the September 2015 Quarter, OMQ produced 11,422 tonnes of HCFMn as production resumed with one furnace on 28 April 2015.

Sales

During the September 2015 Quarter, OMQ secured sales of 7,473 tonnes of HCFMn.



MARKETING AND TRADING, AND MARKET UPDATE

During the September 2015 Quarter, a total of 616,790 tonnes of ores and alloys was transacted. This included about 16,497 tonnes of ferrosilicon from the ramp up of OM Sarawak's furnaces.

According to Worldsteel, crude steel production in China between July to September 2015 amounted to 198.9 million tonnes, representing a 4.28% decrease against the June 2015 Quarter. This was also 2.87% lower compared to the corresponding quarter in 2014 signifying a continued slow-down in steel production.

In the current quarter, prices of 44% Mn declined more than 10% to US\$2.68/dmtu CIF China, a decline of US\$0.32/dmtu from the previous quarter.

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 September 2015 Quarter totalled 442,330 tonnes (Q3 2014: 538,324 tonnes) representing a 17.8% decrease from the corresponding quarter in 2014.

CAPITAL STRUCTURE

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

The smelter in Sarawak, Malaysia is 75% owned by OMH and is nearing construction completion.

The first phase of the Sarawak smelter project commenced production in September 2014 and will ramp up to full 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 global market.