

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 2013 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

OMM (100%, Bootu Creek, Australia)

- March quarterly production of 195,607 tonnes grading 33.38% Mn
- Quarterly shipments of 204,190 wet tonnes (195,451 dry tonnes)
- Commencement of the development of the new Zulu pit - pre-stripping campaign fully expensed during the March quarter resulting in C1 unit cost of A\$4.79/dmtu
- 31 December 2012 Bootu Creek Mineral Resource of 29.5 million tonnes at 22.2% Mn - a net reduction of 0.4 million tonnes after allowing for ore processed during 2012
- 31 December 2012 Bootu Creek Ore Reserve of 15.7 million tonnes at 20.6% Mn - a net increase of 0.6 million tonnes after allowing for ore processed in 2012

OMQ (100%, Guangxi, China)

- First quarter production of 22,269 tonnes of HCFeMn alloy and 59,716 tonnes of manganese sinter ore
- First quarter sales of 16,694 tonnes of HCFeMn alloy and 31,077 tonnes of manganese sinter ore



MARKET OUTLOOK

- The manganese ore benchmark price (BHPB 46% grade lump) continued to increase following the Chinese New Year holidays, underpinned by strong demand for seaborne high grade ore. Three consecutive price increases since March 2013 saw spot prices for May deliveries reaching US\$5.95/dmtu CIF China
- World crude steel production reached 389 million tonnes during the first quarter of 2013, up approximately 3% year-on-year, while crude steel production in China during the first quarter of 2013 reached 192 million tonnes, up approximately 10% year-on-year

OM SARAWAK (80% direct interest)

- Successfully executed the project financing Facility Agreement for a total of USD 215 million and MYR 310 million and an additional MYR 126 million credit line for the performance and payment securities in respect of the total capital cost of the Project's Phase 1 ferrosilicon production facility
- Successfully executed the turn-key lump-sum engineering, procurement and construction ("EPC") contract with Sinohydro Corporation Limited and Sinohydro Corporation (M) Sdn Bhd ("Sinohydro") as the Project's EPC contractor
- Engineering, design and construction of power substation approximately 50% complete

TSHIPI (13% indirect interest)

- Transnet rail and port contract concluded, making available 2 trains per week, along with a 50,000 tonne storage facility at Port Elizabeth
- Manganese ore is now being mined, railed, exported and sold by Tshipi
- Capital budget to achieve final mine and associated infrastructure construction completion reassessed resulting in an expected additional ZAR160 million of capital expenditure ("capex") requirement (approximately US\$18 million, of which the Group's share is US\$2.3 million), and is now scheduled for final completion at the end of 2013



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 2013 Quarter is summarised below:

	Unit	March 2013 Quarter	FYTD 2013	Dec 2012 Quarter	March 2012 Quarter
Mining					
Total Material Mined	bcms	1,221,313	1,221,313	799,154	696,288
Ore Mined – tonnes	dt	362,315	362,315	438,797	402,398
Ore Mined – Mn grade	%	21.59	21.59	23.65	22.76
Production					
Lumps – tonnes	dt	146,625	146,625	114,884	150,644
Lumps – Mn grade	%	32.31	32.31	36.19	36.62
Fines/SPP – tonnes	dt	48,983	48,983	62,732	72,524
Fines/SPP – Mn grade	%	36.57	36.57	36.89	37.77
Total Production – tonnes	dt	195,607	195,607	177,616	223,169
Total Production – Mn grade	%	33.38	33.38	36.44	37.00
Sales					
Lumps – tonnes	dt	151,815	151,815	200,197	58,957
Lumps – Mn grade	%	32.61	32.61	35.82	37.27
Fines/SPP – tonnes	dt	43,636	43,636	100,583	-
Fines/SPP – Mn grade	%	38.04	38.04	37.40	-
Total Sales – tonnes	dt	195,451	195,451	300,780	58,957
Total Sales – Mn grade	%	33.82	33.82	36.35	37.27

Mining

Mining activities during the March 2013 quarter were predominately focused on the development of and pre-stripping campaign at the new Zulu pit. Top-soil removal and pre-strip over-burden waste removal commenced in January 2013 and the ore body was accessed in the third week of March, marginally earlier than forecasted. Mining costs associated with the waste removal were fully expensed during the quarter. The Zulu pit is adjacent to the processing plant and ore accessed from the pit is directly deposited onto the main processing plant ROM pad resulting in significant savings in intermediate ROM haulage. The Zulu pit is expected to provide the bulk of the high grade ore supply for 2013.

Total ore mined during the March quarter was 0.36 million tonnes from a total material movement of 1.22 million bcms. The March 2013 quarter represented a significant increase and improvement on the prior period and the corresponding period last year and is a direct result of the move to an 'Owner Operator' mining fleet made over the September and December 2012 quarters which has resulted in improved efficiency and significant additional operational production flexibility.

As previously advised, the Aboriginal Areas Protection Authority (“AAPA”) lodged a complaint against OMM in relation to a sacred site at the Bootu Creek Manganese Mine in November 2012. On 7 February 2013, the AAPA reformulated their charges with the effect that OMM was finally charged with one charge that alleged the contravention of a condition of an Authority Certificate and two charges that alleged the desecration of the sacred site. At a Court hearing, in the week commencing 4 March 2013, OMM pleaded guilty to the charge of a contravention of a condition of an Authority Certificate but defended the two charges of desecration. The Magistrate reserved her decision.



Processing

Production for the March 2013 quarter was 195,607 tonnes at an average grade of 33.38% Mn and was produced from a blend of low and high grade ores previously stockpiled on site or accessed during the period.

During the March 2013 quarter a series of planned trial ore blends and product tests were conducted through the main processing plant and the secondary processing plant to establish optimal processing characteristics for a range of product types from 30% to 35% Mn with specific silica and iron contents, specifically targeted for Silico Manganese ferro alloy production. The trial test work runs were planned to coincide with the Zulu pre-strip program and aimed to provide processing data to maximise product yield and metal recovery performance from a range of ore sources targeting variations in ore grade and quality while maintaining high 'value-in-use' products for our customers.

Logistics

During the March 2013 quarter a total of 204,190 wet tonnes (195,451 dry tonnes) of manganese product was exported through the Port of Darwin in 6 vessels.

Unit Operating Costs

The C1 unit cash operating cost for the March 2013 quarter was A\$4.79/dmtu and included the fully expensed costs associated with the new Zulu pit development, pre-strip and top soil removal campaigns.

Mineral Resource, Ore Reserve and Exploration Update

The 2012 Bootu Creek exploration program focused on identifying new manganese prospects on Exploration Licences located adjacent to the Bootu Creek mine site, including the Renner Springs and Helen Springs Project areas. The programs were intended to follow up drill testing of IP anomalies identified in 2011 and on additional IP surveys conducted in 2012 at Renner Springs and Looa Bore (north of Bootu Creek mine).

Table 1. Bootu Creek Manganese Project - Comparison of Mineral Resource and Ore Reserve positions at 31 December 2012 with 31 December 2011

	31 December 2012		31 December 2011		Change
	M Tonnes	% Mn	M Tonnes	% Mn	M Tonnes
Mineral Resource	29.5	22.2	32.3	22.3	-2.8
Ore Reserve	15.7	20.6	17.4	20.7	-1.7

31 December 2012 – Mineral Resource

The total Mineral Resource as at 31 December 2012 was 29.5 million tonnes at an average manganese grade of 22.2%, a decrease of 2.8 million tonnes when compared to 31 December 2011. This is net reduction of 0.4 million tonnes after allowing for the 2.4 million tonnes of ore processed through the Bootu Creek processing plant during 2012.



Table 2. Bootu Creek: Mineral Resource Estimate as at 31 December 2012

At 15% Mn cutoff	Measured		Indicated		Inferred		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn	Mt	%Mn
Chugga-Gogo	1.9	23.3	5.5	22.6	0.3	24.2	7.6	22.9
Foldnose			0.6	21.1			0.6	21.1
Masai	1.2	22.8	3.2	21.5			4.4	21.9
Shekuma	0.6	25.4	2.9	25.0	0.0	22.3	3.6	25.0
Tourag	0.9	23.5	1.6	21.9			2.5	22.5
Yaka			4.1	22.1			4.1	22.1
Zulu			2.2	21.4	0.4	19.6	2.5	21.1
Zulu South			0.7	20.0			0.7	20.0
Renner West					0.3	22.4	0.3	22.4
Insitu Resource*	4.6	23.5	20.7	22.4	0.9	21.8	26.3	22.6
ROM Stocks	0.9	16.4					0.9	16.4
SPP Stocks	2.4	19.9					2.4	19.9
Total Resource*	7.9	21.6	20.7	22.4	0.9	21.8	29.5	22.2

* Rounding gives rise to unit discrepancies in this table

Significant components contributing to the reduced 31 December 2012 Mineral Resource, other than ore processed during 2012, include reductions in the long-term FOB Darwin Price to AUD8.50/dmtu from AUD9.00/dmtu previously due to higher Australian dollar foreign exchange rates and reductions in Mn plant recovery factors.

Gogo, Chugga South and Chugga North sharing the same ore structure were combined into a single "Chugga-Gogo" deposit model for the 31 December 2012 Mineral Resource to assist with pit optimisation and life of mine planning. Incremental resource model extensions were added to the northwest of Foldnose and north of Chugga-Gogo by 2012 resource delineation drilling.

The Mineral Resource estimate was calculated using a nominal cut-off grade of 15% Mn. Tonnes are rounded to the nearest 100,000 and Mn % grade rounded to one decimal place. Measured Resources were restricted to a maximum 15 metres vertical extent beneath the current pit floors and Indicated Mineral Resource were based on a maximum 50 metre spaced drill sections.

31 December 2012 – Ore Reserve

The 31 December 2012 Ore Reserve was 15.7 million tonnes at an average manganese grade of 20.6%, a decrease of 1.7 million tonnes when compared to the 31 December 2011 estimate. This is a net increase of 0.7 million tonnes after allowing for the 2.4 million tonnes of ore processed through the Bootu Creek plant in 2012.

The net increase in Ore Reserves, after allowing for ore processed during 2012, resulted from minor resource model extension, model reinterpretation of Chugga-Gogo and the positive influence of reduced unit mining rates from the transition to Owner Operator and plant operating costs outweighing the negative impacts arising from reduced Mn plant recovery and increased unit logistic costs.



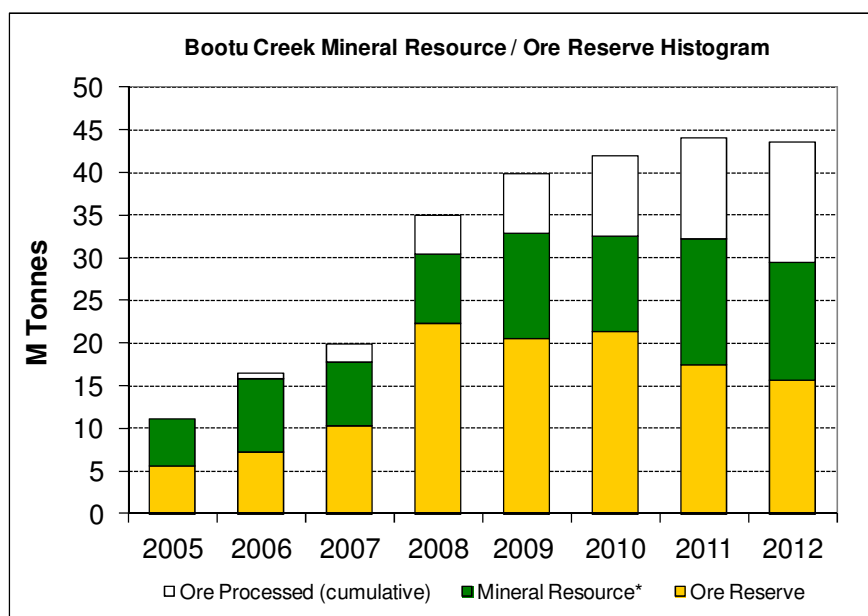
Table 3 Bootu Creek: Ore Reserve Summary as at 31 December 2012

At 15% Mn cutoff	Proved		Probable		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn
Chugga-Gogo	1.5	21.3	2.2	20.9	3.7	21.1
Masai	1.2	20.6	1.0	19.2	2.2	20.0
Shekuma	0.6	22.8	1.6	23.0	2.2	23.0
Tourag	0.6	21.2	0.6	21.1	1.2	21.2
Yaka			1.8	20.7	1.8	20.7
Zulu			1.3	19.7	1.3	19.7
Insitu Reserve*	4.0	21.3	8.4	20.9	12.4	21.0
ROM Stocks	0.9	16.4			0.9	16.4
SPP Stocks	2.4	19.9			2.4	19.9
Total Reserve*	7.2	20.2	8.4	20.9	15.7	20.6

* Rounding gives rise to unit discrepancies in this table

Ore Reserve pit shells were optimised in consultation with Whittle Consulting Pty Ltd through applying its methodology to Measured and Indicated Mineral Resources based on revised mining, processing and logistic costs, and on updated processing parameters. The discounted FOB Darwin sales price (less royalty) of AUD5.17/dmtu remains unchanged from the previous year.

Table 4. Histogram of Mineral Resource and Ore Reserve growth and consumption since commencement of mine production in 2005



* Mineral Resource is inclusive of Ore Reserve



2013 Exploration Programs

Exploration programs planned for 2013 are intended to focus on identifying new manganese prospects on Exploration Licences located adjacent to the Bootu Creek mine site, including the Renner Springs and Helen Springs Project areas. The programs will include follow up drill testing of IP anomalies identified in 2011 and 2012 ground surveys.

RC drill delineation will proceed where significant manganese mineralisation is identified, and/or on incremental extensions of Bootu Creek deposits that remain open down dip or along strike.

Mineral Resource Estimation Details

Revised 31 December 2012 mineral resource models for Foldnose, Chugga North (now part of Chugga-Gogo) and Renner West were based on new/additional RC drilling interpreted by OMM and estimated by resource consultants Optiro Pty Ltd ("Optiro").

Chugga North, Chugga South and Gogo were combined and interpreted as a single deposit model (Chugga-Gogo) by OMM with the revised resource model estimated by Optiro. Masai was re-interpreted by OMM to model faulting observed in Masai 3 pit and depleted for ore mined in 2012 prior to resource re-estimation by Optiro. Tourag deposits had no new drilling and the 31 December 2011 mineral resource model estimated previously by Optiro was depleted for ore mined in 2012. Yaka, Zulu and Zulu South had no new drilling or mining activity during 2012 and Optiro resource models remained unchanged.

Grades were estimated using Ordinary Kriging (by Optiro) with searches aligned parallel to the strike and dip of the manganese mineralisation. Bulk density was calculated by OMM on an individual deposit regression based on diamond drill core measurements.

OMM further constrained the 8 Optiro resource models listed above by intersecting them with 'Whittle' optimised pit shells based on revised mining, processing and logistic costs, processing parameters and revenue assumptions to produce the 31 December 2012 Bootu Creek Mineral Resource disclosed in Table 2 above.

Location, quality and distribution of the current data were sufficient to allow the classification of Measured, Indicated and Inferred Mineral Resources. Search distances were consistent with current and previous work by resource consultants to OMM.

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.

OMM Operating Outlook

The mine's production target for 2013 centres around a normalised and fully optimised life of mine strip ratio mining operation producing approximately 800,000 product tonnes at a C1 unit production cost in the range of A\$4.00/dmtu. This mining and production strategy ensures a solid operating platform during the current price environment whilst allowing maximum production flexibility to respond to changing circumstances.



PROCESSING

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

Production from the Qinzhou smelter and sinter plant for the March 2013 Quarter is summarised below:

	March 2013 Quarter	FYTD 2013	Dec 2012 Quarter	March 2012 Quarter
Tonnes				
Production				
High Carbon Ferro Manganese("HCF Mn")	22,269	22,269	23,428	17,725
Mn Sinter Ore	59,716	59,716	81,428	45,458
Sales				
High Carbon Ferro Manganese("HCF Mn")	16,694	16,694	27,537	16,136
Mn Sinter Ore	31,077	31,077	72,397	30,796

Production

During the March 2013 quarter, OMQ produced 22,269 tonnes of High Carbon Ferro Manganese ("HCF Mn") alloy, representing a 25% year-on-year increase. The production result was achieved with the continuous operation of both furnaces.

Manganese sinter ore production was 59,716 tonnes, representing a 31% year-on-year increase.

Sales

During the March 2013 quarter, OMQ secured sales of 16,694 tonnes and 31,077 tonnes of HCF Mn alloy and manganese sinter ores respectively.

OMQ Outlook

With the fully optimised 2013 production schedule of both HCF Mn alloy and sinter ore well underway, OMQ expects to produce 80,000 tonnes and 250,000 tonnes of HCF Mn alloy and manganese sinter ores respectively for the 2013 calendar year.



MARKETING AND TRADING, AND MARKET OUTLOOK

During the March 2013 quarter, the Marketing and Trading division sold 411,970 tonnes of ore and of alloy. Ore sales during this quarter included both manganese and chrome ores. Manganese ore included third party sources used for consumption by OMQ for the production of manganese sinter ore and HCFeMn alloy.

According to Worldsteel, crude steel production in China during the first quarter of 2013 amounted to 192 million tonnes, up 10% year-on-year. China's monthly crude steel production for March 2013 was 66 Mt, up 7% as compared to February 2013 and up 7% compared to the corresponding period in 2012.

World crude steel production reached 389 million tonnes during the first quarter of 2013, up 3% year-on-year.

According to the International Manganese Institute, Chinese manganese ore port stocks as at February 2013 were ~2.5 million tonnes, representing approximately two months' of seaborne imports.

Strong demand for seaborne high grade ore resulted in continued price increases during the March 2013 quarter. Prior to the Chinese New Year holidays the reported manganese ore benchmark price (BHPB 46% grade lump) increased from US\$5.20/dmtu CIF China in January to US\$5.40/dmtu in February. Strong demand fundamentals after the holiday period underpinned a further 3 consecutive price increases – from US\$5.65/dmtu CIF China in March to US\$5.90/dmtu CIF China in April and further to US\$5.95/dmtu CIF China for May deliveries. The manganese ore benchmark price is up 14% from the beginning of 2013.

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

Project Finance

As previously announced on 2 April 2013, OM Sarawak has signed the project financing Facility Agreement with a syndicate of leading international and regional lenders for USD215 million and MYR310 million of senior project finance debt and a further MYR126 million credit line for the issuance of performance and payment guarantees to the power provider as part of OM Sarawak's obligations under Power Purchase Agreement. Conditions precedents are expected to be concluded in the second quarter of 2013 followed by loan drawdown soon thereafter.

EPC Contractors

OM Sarawak has successfully executed the EPC contract with Sinohydro as the Project's lump-sum turn-key EPC contractors. Sinosteel Jilin Electro Mechanical Equipment Co. Ltd (“Sinosteel Jilin”) is the nominated sub-contractor for all engineering works, equipment procurement and manufacture, installation, testing and commissioning.

The EPC contract with Sinohydro will allow the Company to leverage Sinohydro's significant large-scale project management experience, including its longstanding and proven EPC experience throughout Malaysia, including in Sarawak. The Company will also draw upon Sinosteel Jilin's specialist equipment and control system experience and capability.

The engineering and design of the 275kv power substation is 95% complete, with long-lead time items like the 180MVA power transformers ready for shipment to site. With the completion of the footing and piling of the building, the substation has achieved an overall completion rate of approximately 50%.



Construction of Control Building for Power Sub-Station



Steel Structures for Concrete Batching Plant



Reinforcing Bars for RC Foundation Works

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

Activities at Tshipi Borwa during the March 2013 quarter included the production and sale of manganese ore, using a temporary crushing and screening circuit, whilst continuing the construction of the 2.4 million tonne per annum processing plant and support facilities.

Having achieved its production commencement target, Tshipi's focus for 2013 is to complete the remaining construction activities. Tshipi signed a Transnet rail and port contract during the March 2013 quarter. The contract makes available two trains per week, along with a 50,000 tonne storage capacity at Port Elizabeth. One additional train per week will be provided at Transnet's discretion. These arrangements align with Tshipi's ramp-up plans for 2013.

A total of 109,873 tonnes of manganese was railed and approximately 76,000 tonnes shipped during the March 2013 quarter.



The capital budget for the construction of the Tshipi Borwa Mine was reassessed during the March 2013 quarter as a result of a delay in the expected completion date of the project's permanent processing plant until the end of 2013. The project capital estimate for completion has been increased by ZAR160 million (approximately US\$18 million, of which the Group's obligation is towards the increased capital costs is approximately US\$2.3 million) from the original ZAR1,716 million approved capital budget. As of 31 March 2013, OMH has contributed a total AUD27.64 million towards the Tshipi project's development expenditure and working capital commitments.

CAPITAL STRUCTURE

As at 31 March 2013 the Company had 673,423,337 ordinary shares, 25,000,000 convertible notes and 10,000,000 unlisted options on issue. During the quarter 5,000,000 unlisted options expired.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



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 2,400km².

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 is a constituent of the S&P/ASX 300 a leading securities index.

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:

- *11% 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*
- *4% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana*