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## OMH to develop manganese mine in Karahari

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TEX reported that OM Holdings has decided to participate in the project to develop manganese mine located in Karahari district of South Africa.

The two companies of Pallinghurst Resources and Ntsimbintle Mining have been already proceeding to develop the Tshipi manganese mine in Karahari district of South Africa and it was known recently that, because of this participation in the project by OM Holdings, MoU, which the consolidated management by these three companies has to be materialized to develop this manganese project, has been concluded.

OM Holdings has concluded MoU, having meant OM Holdings transfers 139.90 million shares of OMH shares to five joint investors in Pallinghurst Resources and, alternatively, acquires 49.9% of interest in the Tshipi Karahari manganese project and OM Holdings is enabled to take over 20% of the shares of Ntsimbintle Mining, as one of BEE enterprises, for AUD 20 million in cash.

This Tshipi manganese mine is neighboring to Mamatwan manganese mine possessed by BHP Billiton and the quality of manganese ore to be mined at Tshipi mine is low grade ore, containing 37% of Mn. This new mine to be developed is expected to produce manganese ore on a scale of 2 million tonnes per annum from 2012 and its mine life is estimated to be possible to operate for 28 years.

Pallinghurst Resources has already concluded in 2008 a long term contract with POSCO of South Korea on supply of manganese ore and Chinese market is also thought to be promising for Pallinghurst Resources on business to supply manganese ore in the future.

OM Holdings has already developed the Bootu Creek manganese mine in Australia and entered into its commercial production from 2008, having continued to produce successfully manganese ore on a scale of 600,000 to 650,000 tons per annum.

It may be noted that government of South Africa has planned to develop the two projects, which are to construct new shipping port in Coega and to expand capacity for transportation of cargoes by railway but, in view of the difficult financial situation at this government, it is still opaque from when does South Africa Government materialize these two projects.

(Sourced from TEX Report Limited)

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