
Singapore's OMH eyes Manganese expansion

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Singapore's OM Holdings Ltd plans to accelerate expansion of its Bootu Creek manganese project in Australia's Northern Territory after agreeing to buy out minority partners for US\$15.3 million. OMH said Friday it has secured 100% of Bootu Creek after reaching agreement with Groote Eylandt Mining Pty Ltd, or GEMCO, to buy its minority stake in the project. GEMCO, owned 60% by BHP and 40% Anglo American plc, operates one of the world's biggest manganese mines at Groote Eylandt, off the coast of the Northern Territory.

Mr Paul Chapman MD of it's Australian operations, said that OMH's purchase of the remaining 25% in Bootu Creek clears the way for an upgraded exploration program that could eventually double planned shipments to Chinese ferroalloy smelters. "It is a fairly cheap incremental expansion. You can just about double your production with an A\$10 million capital spend," he said.

Stage One of the A\$45 million Bootu Creek project is due to begin production in either March or April, building up to an annual rate of 550,000 to 600,000 tons of upgraded manganese ore.

OMH, which up to now has focused on trading and smelting operations, hopes to supply around 20% of China's total demand for manganese, a steel-hardening ingredient. Around one-quarter of Bootu Creek's production will be shipped to OMH's Qinzhou smelter located in southwest China, with the remainder sold to other Chinese smelters. "In our view manganese imports into China are going to increase," Mr Chapman said.

A former WMC executive, Mr Chapman joined OMH last month after his previous role as MD of junior nickel miner Reliance Mining. Reliance was taken over by Consolidated Minerals earlier this year in a friendly A\$90 million-plus takeover.

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