

MANGANESE FARM-IN AND JOINT VENTURE AGREEMENT WITH OM HOLDINGS LIMITED

OM Holdings Limited (ASX: OMH) to spend up to A\$7.3 Million to earn up to 70% interest in the Manganese Minerals Rights over the Bryah Basin Project.

HIGHLIGHTS:

- Bryah Resources Limited has secured a strategic agreement to establish a Joint Venture in the Bryah Basin in central Western Australia with **OM Holdings Limited**, a regional leader in the manganese industry.
- The objective of the Joint Venture is to explore for **commercially mineable manganese**, leading to near term production.
- The Farm-In and Joint Venture Agreement has been signed with OM (Manganese) Ltd (OMM), a wholly owned subsidiary of OM Holdings Limited and includes¹:
 - **\$250,000** Signing Fee, which was paid to Bryah on 18 April 2019
 - **\$500,000** from OMM for project expenditure by 30 June 2019
 - **\$250,000** Exercise Fee, payable to Bryah in July 2019
 - **\$2.0 million** from OMM for project expenditure by 30 June 2022, for OMM to earn a 51% JV interest
 - **\$1.8 million** of additional project expenditure, at Bryah's election, for OMM to earn a 60% JV interest, and
 - **\$2.5 million** of additional project expenditure, at Bryah's election, for OMM to earn a 70% JV interest.
- In total OMM will need to fund:
 - **A\$3.0 million** for a 51% JV interest
 - **A\$4.8 million** for a 60% JV interest, and
 - **A\$7.3 million** for a 70% JV interest.
- Bryah is the **Project Manager** until OMM has earned a 51% JV interest and thereafter OMM may elect to be the Project Manager.
- The JV applies to **Manganese Mineral Rights only**, with Bryah retaining all other minerals.
- The Bryah Basin Manganese JV includes the **Horseshoe South Manganese Mine**, the largest historical manganese mine in the region, and several manganese exploration prospects.
- Stage 1 drilling (3,000m) is to commence in the first week of May 2019.

¹ Refer Appendix 1 for Key Terms of Farm-In and Joint Venture Agreement

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ABN: 59 616 795 245
Shares on issue: 61,175,120
Latest Share Price: \$0.065
Market Capitalisation: \$4.0M

Projects

Bryah Basin – Copper, Gold,
Manganese
Gabanintha – Gold, Copper
bryah.com.au

Bryah Resources Limited (“Bryah” or “the Company”) is delighted to announce the execution of a manganese Farm-In and Joint Venture Agreement (Agreement) with OM (Manganese) Limited (OMM), a wholly owned subsidiary of ASX-listed OM Holdings Limited (ASX:OMH). The Agreement applies to approximately 660km² of the Company’s Bryah Basin Project in central Western Australia, including the historic Horseshoe South Manganese Mine (see Figure 1).

Under the Agreement, the Company has received from OMM a Signing Fee payment of \$250,000, which the Company will use for its own working capital purposes. OMM will also provide \$500,000 to fund manganese exploration activities managed by Bryah up to 30 June 2019. A drilling programme of 3,000 metres is to commence in the first week of May 2019.

A second \$250,000 payment to Bryah will be made by OMM in July 2019 should OMM wish to proceed with further exploration. OMM will then progressively provide \$2 million to fund the next stage of manganese exploration managed by Bryah for OMM to earn a 51% Joint Venture Interest. Bryah may elect for OMM to fund the next \$1.8 million of project expenditure for OMM to earn a 60% Joint Venture Interest. Thereafter Bryah may elect for OMM to fund an additional \$2.5 million of project expenditure for OMM to earn a 70% Joint Venture Interest.

OM Holdings Limited is a vertically integrated Manganese and Silicon specialist involved in mining, smelting and trading, with operations located in Australia, China, Japan, Malaysia, Singapore and South Africa. In Australia, OMM operates the Bootu Creek manganese mine in the Northern Territory.

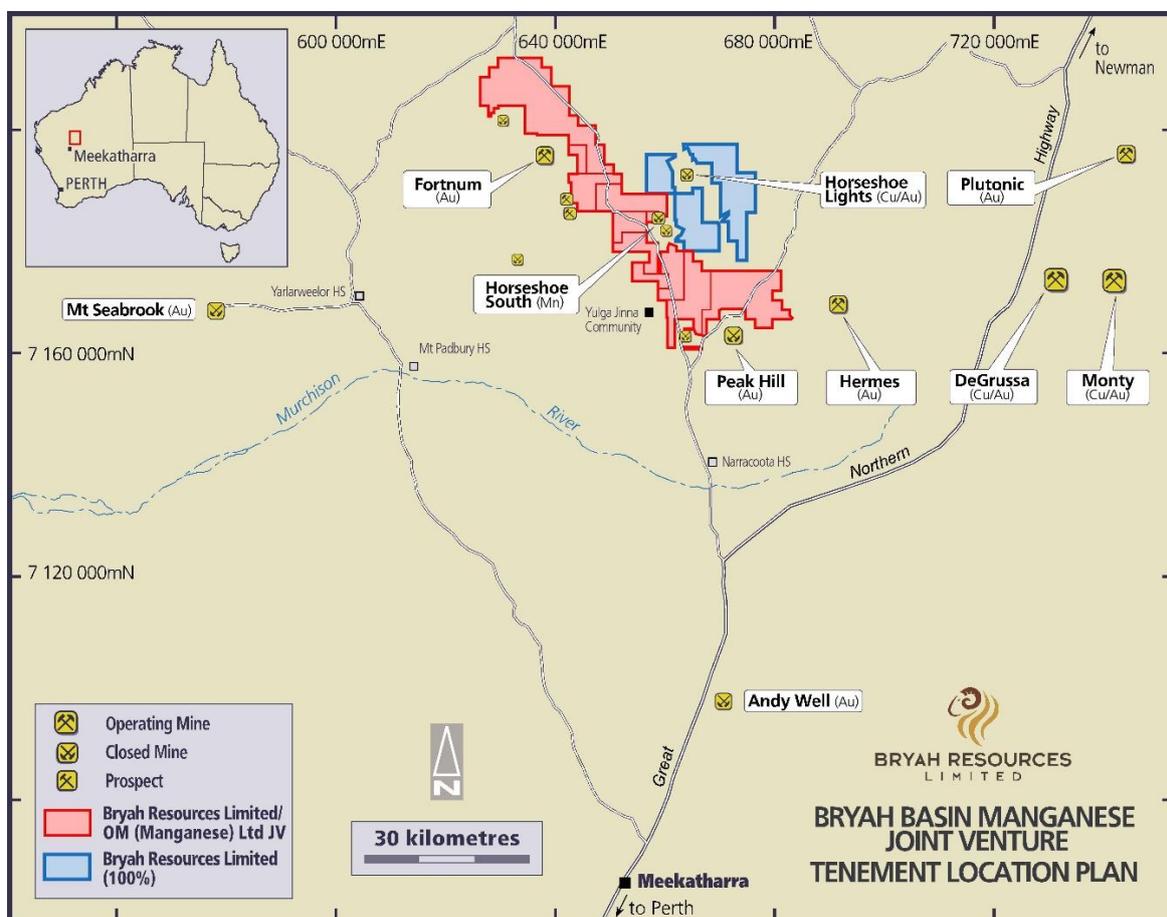


Figure 1 – Tenement Location Plan

Managing Director Neil Marston said: “The execution of this agreement with the highly-regarded OMH Group is a game-changing event for Bryah and its shareholders. The OMH Group has manganese mining expertise and is seeking new sources of manganese ore to replace its Bootu Creek production in the near future. This means that we are both strongly aligned to Bryah’s stated aim of moving from explorer to manganese ore producer in the near term.

We understand the OMH Group want to maintain their own supply of quality manganese ore for their smelter in Sarawak, Malaysia so by teaming up with them via this agreement we have substantially de-risked implementation of Bryah’s manganese production strategy.

In the last 12 months our exploration team at Bryah has conducted a significant amount of ground work ahead of the commencement of manganese drilling next month. The plan under the JV agreement is for us to drill test targets at the Horseshoe South Manganese Mine and the Brumby Creek and Devils Hill Prospects, as well as some other untested sites as quickly as possible. We see excellent potential for shallow drilling to identify significant manganese resources in this largely unexplored land holding in the Bryah Basin.”

Horseshoe South Manganese Mine

In May 2018, Bryah secured an option to purchase the historic Horseshoe South Manganese Mine, as well as the rights to prospect, explore, mine and develop manganese ore (“Manganese Rights”) covering a total of 154km² of ground owned by Austsino Resources Group Limited (ASX:ANS) (see Figure 2). These optioned areas are included in the Agreement with OMM.

The Horseshoe South mine has produced approximately 1 million tonnes of high-grade manganese ore from 1948-1969 and 2008-2011. The mine lies on a granted mining lease which means that, subject to successful drilling and feasibility studies, obtaining approvals to re-start mining operations should be achievable in a relatively short timeframe. Recent rock chips from the lease have assayed up to 48.8% Mn. Drilling is planned to test outcropping areas and extensions of an existing pit on the lease.

Regional Geology

Manganese occurrences in the Bryah Basin generally lie within the Horseshoe Formation. Bryah has secured tenure or manganese mineral rights over the majority of the Horseshoe Formation, and controls approximately 60 line-kilometres of this linear feature (see Figure 2).

The Horseshoe Formation includes finely laminated ferruginous (hematitic) shale and siltstone, fine-grained quartz–feldspar wacke with interleaved iron formation and chert, graded quartz wacke, manganese shale, garnetiferous biotite–chlorite schist and garnetiferous iron-formation. Relatively high manganese contents are inferred from the abundant manganese oxide staining in weathered and lateritic rocks, and lateritic manganese ore has been mined at the Horseshoe South and Mount Padbury mines.²

² GSWA Report 59 - Geology and Mineralization of the Paleoproterozoic Bryah and Padbury Basins Western Australia, by F. Pirajno, S. A. Occhipinti, and C. P. Swager, 2000

The identification of high-grade manganese in numerous outcrops by the Company in 2018 is considered to be significant as it demonstrates that the whole of the Horseshoe Formation from the prospects in the south (Mudderwearie/Devils Hill) right through to Mount Labouchere in the north, is prospective for economic manganese mineralisation.

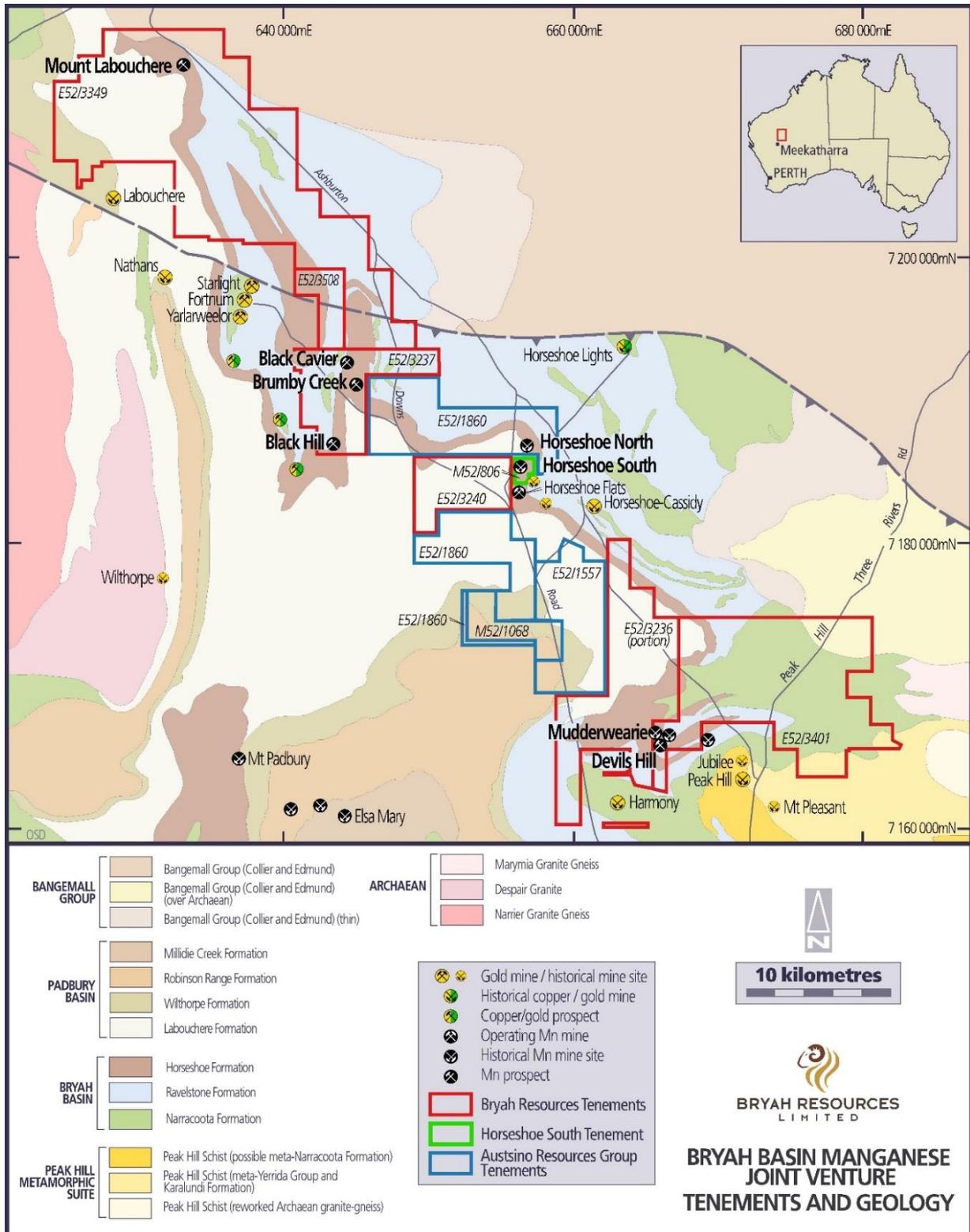


Figure 2 – Bryah Basin Manganese JV Tenements and Geology Plan

Manganese Outlook

Manganese is the 4th most consumed metal behind iron, aluminium and copper. Over 90% of demand comes from steelmaking and no suitable substitute for the metal exists, which means it cannot be recycled. Manganese is usually used in steelmaking in the form of ferroalloys such as Ferro-Manganese (FeMn) and Silico-Manganese (SiMn). These manganese ferroalloys are added to deoxidize molten steel, remove sulphur, and act as a hardening agent.

Manganese is also used in batteries, chemicals and the aluminium industry. The demand for manganese for use in new generation batteries for Electric Vehicles (EV) is expected to grow significantly as the uptake of EVs increases.

Prices of manganese ore remained robust throughout 2018. Fastmarkets MB reported an average price of US\$7.24 per dmtu (44% Mn Grade, CIF Tianjin) in 2018, compared to an average of US\$5.91 per dmtu in 2017, before easing down to US\$6.85 per dmtu at the end of 2018.³

Almost all major alloy producing countries increased imports of manganese ore in 2018, with China increasing imports by 30%. Last year, demand in China also experienced a structural change with a new national standard for rebars (reinforcing steel bar), effectively increasing the demand of alloy consumption in steel. According to Worldsteel, Chinese steel production also grew by 6.9% in 2018, and in the month of October 2018 recorded 82.6 million tonnes of crude steel production, an all-time high. These, among other factors, supported the prices of manganese ore even as global seaborne exports expanded by 17% in 2018.⁴

For further information, please contact

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³ OM Holdings Limited Annual Report 2018 p1

⁴ OM Holdings Limited Annual Report 2018 p1

About Bryah Resources Limited

Bryah Resources Limited is a copper-gold-manganese focused explorer with 2 projects located in central Western Australia, being the 880 km² Bryah Basin Project and the 200km² Gabanintha Project. The Bryah Basin is host to the high-grade copper-gold mines at DeGrussa, discovered by Sandfire Resources NL in 2009, and at Horseshoe Lights, which was mined until 1994. The Bryah Basin also has several historical and current manganese mines including the Horseshoe South mine (see Figure 1).

At Gabanintha, Bryah holds the rights to all minerals except Vanadium/Uranium/Cobalt/Chromium/Titanium/Lithium/Tantalum/Manganese & Iron Ore (Excluded Minerals). Australian Vanadium Limited retains 100% rights in the Excluded Minerals on the Gabanintha Project.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Rohan Williams, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams is an employee of Bryah Resources Limited (“the Company”). Rohan Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Rohan Williams consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This report may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix 1 – Bryah Basin Manganese Farm-In and Joint Venture Agreement Key Terms

- The Farm-In and Joint Venture Agreement (Agreement) between Bryah Resources Limited and OM (Manganese) Ltd (OMM) includes a Signing Fee of \$0.25 million, which was paid to Bryah on 18 April 2019.
- Bryah is to be Project Manager for Stage 1 and Stage 2 of the Farm-In.
- The Joint Venture (JV) applies to Manganese Mineral Rights only, with Bryah retaining rights to all other minerals.
- In Stage 1, OMM will fund an \$0.5 million on project expenditure by 30 June 2019.
- OMM may elect to proceed to Stage 2 by paying an Exercise Fee of \$0.25 million to Bryah to earn an initial 10% JV interest by 12 July 2019, or 30 days after Bryah supplies OMM with the results of the Stage 1 exploration.
- In Stage 2, OMM will fund a further \$2.0 million of project expenditure by 30 June 2022 to earn an additional 41% JV interest, giving OMM a total of 51% JV interest.
- Upon OMM earning its 51% JV interest, OMM may elect to be Project Manager and Bryah may elect not to contribute to project expenditure, diluting from 49% to 40% JV interest by OMM funding the next \$1.8 million of project expenditure.
- Upon OMM earning its 60% JV interest, Bryah may elect not to contribute to project expenditure, diluting from 40% to 30% JV interest by OMM funding the next \$2.5 million of project expenditure.
- OMM's right to acquire a JV interest is subject to OMM obtaining Foreign Investment Review Board approval to it acquiring a JV interest.
- The aim of the JV is to explore for commercially mineable manganese and carry out Feasibility Studies.
- If a positive Feasibility Study is supported by a Decision to Mine then OMM and Bryah may elect to participate in a Mining Joint Venture in proportion to their JV interests or convert to a Royalty.
- Bryah is to negotiate a Sales Agency Agreement on commercial terms with OM Holdings Ltd in respect to all manganese ore production under the Mining JV.
- The JV includes an area of Mutual Interest which extends for a radius of 100 kilometres from the Horseshoe South Manganese Mine (M52/806).
- Tenements covered under the Agreement (See Figure 2) are:
 - a. E52/3236 (southern portion), E52/3237, E52/3240, E52/3349, E52/3401, and E52/3508 registered in the name of Bryah Resources Limited,
 - b. M52/806 registered in the name of Peak Hill Manganese Pty Ltd, and
 - c. E52/1557, E52/1860, and M52/1068 registered in the name of Desert Resources Pty Ltd, a subsidiary of Austsino Resources Group Limited (ASX:ANS) (Manganese Mineral Rights only).