

OM HOLDINGS LIMITED

(ARBN 081 028 337)

(Malaysian Registration No. 202002000012 (995782-P))

Incorporated in Bermuda



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ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

MARCH 2022 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

SMELTING: OM Materials (Sarawak) Sdn Bhd (75% owned smelter in Samalaju, East Malaysia)

- Production output for the quarter ended 31 March 2022 was 33,925 tonnes of ferrosilicon (“FeSi”), 60,540 tonnes of manganese alloys (included silicomanganese (“SiMn”) and high carbon ferromanganese (“HCFeMn”)) and 25,647 tonnes of manganese sinter ore
- A total of 30,718 tonnes of FeSi and 57,632 tonnes of manganese alloys were sold during the quarter ended 31 March 2022
- Scheduled major maintenance works are expected to commence in June 2022
- Loan repayment of US\$6.5 million (approximately A\$8.6 million) was made to project finance lenders during the quarter ended 31 March 2022

EXPLORATION AND MINING: OM (Manganese) Ltd (100% owned Manganese mine in Bootu Creek, Northern Territory, Australia)

- Manganese ore production of 18,071 tonnes with an average grade of 28.69% Mn for the quarter ended 31 March 2022
- Manganese ore shipments of 85,296 tonnes with an average grade of 30.53% Mn for the quarter ended 31 March 2022
- Bootu Creek operation is now in a care and maintenance mode since the end of January 2022 with appropriate environmental management strategies and activities planned and underway to manage/minimise environmental impacts

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OPERATING PERFORMANCE (CONT'D)

- The Ultra Fines Plant (“UFP”) produced 2,133 tonnes of product at 33.74% Mn for the quarter ended 31 March 2022. Further trials and production assessments were completed at the end of January 2022

SMELTING: OM Materials (Qinzhou) Co Ltd (“OMQ”) (100% owned smelter and sinter plant in Qinzhou, Guangxi Province, China)

- There was no production for the quarter ended 31 March 2022 due to elevated power-tariffs in China

MARKETING, TRADING AND MARKET UPDATE

- 405,269 tonnes of ores and alloys were transacted in the period from 1 January 2022 to 31 March 2022 as compared to 555,094 tonnes from 1 October 2021 to 31 December 2021, which represented a quarter-on-quarter decrease of 27.0%, mainly due to lower Mn ore shipments
- World crude steel production during January and February 2022 was 319.2 million tonnes, which represented a 1.8% decrease as compared to the same period in 2021, due to a reduction in Chinese steel production
- Price of 44% Mn ore closed at US\$7.80/dmtu CIF China at the end of March 2022, a significant 39.3% increase from US\$5.60/dmtu CIF China at the end of December 2021
- FeSi price increased from US\$2,110 to US\$2,225 per metric tonne CIF Japan while SiMn price increased from US\$1,535 to US\$1,775 per metric tonne CIF Japan during the quarter ended 31 March 2022

CORPORATE

- As at 31 March 2022, a total of 109,092,986 shares were listed on Bursa Malaysia and 629,530,351 shares listed on the Australian Securities Exchange



SMELTING

OM MATERIALS (SARAWAK) SDN BHD (“OM Sarawak”)

OM Sarawak owns a Ferroalloy Smelting Plant in the Samalaju Industrial Park in Sarawak, Malaysia (the “Plant”). The Plant consists of 8 main workshops with a total of 16 units of 25.5 MVA furnaces, of which 10 units are allocated for the production of FeSi and 6 units are allocated for the production of manganese alloys. The Plant has a design capacity to produce approximately 200,000 to 210,000 tonnes of FeSi and 250,000 to 300,000 tonnes of manganese alloys per annum. The Plant also consists of a sinter plant that has a design capacity to produce 250,000 tonnes of sinter ore per annum.

Commercial operation

As at 31 March 2022, 12 out of 16 furnaces were in operation with 6 furnaces producing FeSi and 6 furnaces producing manganese alloys. Of the remaining 4 FeSi furnaces, 2 furnaces are undergoing conversion to produce manganese alloys (“FeSi - Manganese Alloys Conversion Project”) and another 2 furnaces are undergoing conversion to produce silicon metal (“FeSi – Silicon Metal Conversion Project”).

	Mar 2022 Quarter	Dec 2021 Quarter	YTD 2022
Tonnes			
Production			
Ferrosilicon	33,925	36,134	33,925
Manganese Alloys	60,540	62,405	60,540
Manganese Sinter Ore (<i>commissioning phase</i>)	25,647	28,233	25,647
Sales			
Ferrosilicon	30,718	34,529	30,718
Manganese Alloys	57,632	58,138	57,632

For the quarter ended 31 March 2022, production volumes for FeSi and manganese alloys decreased by 6.1% and 3.0% respectively as compared to the previous quarter.

For the quarter ended 31 March 2022, sales volumes for FeSi and manganese alloys decreased by 11.0% and 0.9% respectively as compared to the previous quarter ended 31 December 2021. This was mainly attributed to export bulk shipments that were delayed at the end of March 2022.

Scheduled major maintenance works will commence in June 2022, alleviating the pressures from hiring new Chinese skilled workers. The Company’s smelting production guidance for the year remains unchanged.

Chinese contractors have arrived in batches for equipment installation of the FeSi - Manganese Alloys Conversion Project, and we expect conversion works to be completed in mid-2022. This will be followed by furnace lining and hot commissioning in the third quarter of 2022. For the FeSi - Silicon Metal Conversion Project, demolition works are ongoing. Barring unforeseen circumstances, hot commissioning and testing works are expected to occur in December 2022.

Loan repayment of US\$6.5 million (approximately A\$8.6 million) was made to project finance lenders during the quarter ended 31 March 2022.



SMELTING
OM MATERIALS (QINZHOU) CO LTD (“OMQ”)

Production and sales from the Qinzhou smelter and sinter plant for the quarter ended 31 March 2022 are summarised below:

	Mar 2022 Quarter	Dec 2021 Quarter	YTD 2022
Tonnes			
Production			
Manganese Alloys	-	11,688	-
Manganese Sinter Ore	-	13,312	-
Sales			
Manganese Alloys	4,564	6,744	4,564
Manganese Sinter Ore	5,880	-	5,880

Production

There was no production for the quarter ended 31 March 2022 given elevated power-tariffs in China.

Sales

During the quarter ended 31 March 2022, OMQ secured sales of 4,564 tonnes of manganese alloys and 5,880 tonnes of manganese sinter ore.



EXPLORATION AND MINING
OM (MANGANESE) LTD (“OMM”)

Production at the 100% owned Bootu Creek Manganese mine (the “Mine”) for the quarter ended 31 March 2022 is summarised below:

	Unit	Mar 2022 Quarter	Dec 2021 Quarter	YTD 2022
Mining				
Total Material Mined	bcms	-	320,263	-
Ore Mined – tonnes	dt	-	220,807	-
Ore Mined – Mn grade	%	-	21.46	-
Production				
Lumps – tonnes	dt	12,463	169,748	12,463
Lumps – Mn grade	%	29.27	28.72	29.27
Fines/SPP/UFP – tonnes	dt	5,608	39,624	5,608
Fines/SPP/UFP – Mn grade	%	27.39	31.17	27.39
Total Production – tonnes	dt	18,071	209,372	18,071
Total Production – Mn grade	%	28.69	29.18	28.69
Sales				
Lumps – tonnes	dt	58,000	143,269	58,000
Lumps – Mn grade	%	29.28	28.41	29.28
Fines/SPP – tonnes	dt	27,296	-	27,296
Fines/SPP – Mn grade	%	33.20	-	33.20
Total Sales – tonnes	dt	85,296	143,269	85,296
Total Sales – Mn grade	%	30.53	28.41	30.53

Processing

The Mine achieved ore production of 18,071 tonnes for the quarter ended 31 March 2022 at an average grade of 28.69% Mn. The processing plant ceased production and was placed into care and maintenance on 24 January 2022.

The UFP produced 2,133 tonnes of product at 33.74% Mn and a yield of 19.38% for the quarter ended 31 March 2022 with feed stocks being sourced from the surface tailing storage facilities.

A review of the standalone UFP trial operations was completed during the quarter ended 31 March 2022. Modification requirements to address poor screening and tails pumping deficiencies encountered during the full trial were identified.

The site has been placed under care and maintenance since the end of January 2022. Measures have already been implemented and will continue to be undertaken during the period



of care and maintenance with appropriate environmental management strategies and activities planned to manage/minimise environmental impacts.

Logistics

During the quarter ended 31 March 2022, a total of 85,296 tonnes of manganese product was exported, compared to 143,269 tonnes of manganese product exported in the quarter ended 31 December 2021.

Environmental Programs

During the quarter ending 31 March 2022, significant rehabilitation was done on Chugga West and North, Central, GoGo, Xhosa and Masai 1 East waste rock dumps, totalling 140 hectare of earth works including profiling, contouring and installing sediment traps.

The earth works for the rehabilitation of Shekuma, Masai 3 and Tourag will commence in Q2 2022 and is expected to be completed in Q3 2022.

Seeding of the rehabilitated waste rock dumps is planned to commence during the next Northern Territory wet season in November 2022 to March 2023.

MARKETING AND TRADING UPDATE

During the quarter ended 31 March 2022, a total of 405,269 tonnes of ores and alloys were transacted, which represented a 27.0% quarter-on-quarter decrease compared to the previous quarter ended 31 December 2021, mainly due to lower manganese ore shipments with the cessation of mining at Bootu Creek.

According to the International Manganese Institute (IMnI), world crude steel production during January and February 2022 was 319.2 million tonnes, which represented a decrease of 1.8% as compared to the same corresponding period in 2021, mainly due a reduction in Chinese steel production.

Fastmarkets MB reported that the price of 44% Mn ore closed at US\$7.80/dmtu CIF China at the end of March 2022, a significant 39.3% increase from US\$5.60/dmtu CIF China at the end of December 2021.

During the quarter ended 31 March 2022, FeSi price increased from US\$2,110 to US\$2,225 per metric tonne CIF Japan, while SiMn price increased from US\$1,535 to US\$1,775 per metric tonne CIF Japan. The increase in price for manganese ore, FeSi and SiMn was mainly attributed to the Ukraine-Russia conflict. Russia and Ukraine were the second largest exporting countries of ferrosilicon and manganese alloys respectively in 2021.

Freight rates increased during the current quarter ended 31 March 2022, with Fastmarkets MB reporting an implied freight of US\$1.41/dmtu from South Africa to China for 37% manganese ore, compared to US\$1.32/dmtu at the end of December 2021.

OM Holdings Limited

CORPORATE

1. Tshipi é Ntle Manganese Mining (Pty) Ltd (“Tshipi”)

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Holdings Proprietary Limited, the majority (50.1%) owner of Tshipi.

OMH (26%) and Ntsimbintle Holdings Proprietary Limited (74%) are shareholders in Ntsimbintle Mining Proprietary Limited (“NMPL”). NMPL holds a 50.1% interest in Tshipi, an independently operated and managed black-empowered manganese mining company that operates the Tshipi Borwa Manganese Mine located in the world class Kalahari Manganese



field in South Africa. The Tshipi Borwa Manganese Mine currently has a production capacity of 3.3 to 3.6 million tonnes per annum.

In February 2022, Tshipi declared and paid a dividend of ZAR 500 million (approximately US\$32.3 million) for the 6 months ended 28 February 2022 to its two shareholders. The Group received its share of the dividend of ZAR 60.7 million (approximately US\$3.9 million) net of withholdings tax from NMPL in March 2022.

Tshipi Borwa Manganese Mine

Tshipi exports (100%) for the quarter ended 31 March 2022 totalled 808,653 tonnes, which represented an increase of 18.8% from the previous quarter ended 31 December 2021.

2. Update on Bryah Farm-In and Joint Venture Agreement

As previously announced, OMM has executed a binding Farm-In and Joint Venture Agreement for the Bryah Basin Manganese Project with Bryah Resources Limited (ASX Code: BYH) (“Bryah Project”).

In 2019, OMM paid a signing fee of A\$0.25 million, funded A\$0.5 million of exploration expenditure in the initial exploration program and paid an exercise fee of A\$0.25 million to secure an initial 10% interest in the joint venture.

OMM has since progressively funded a further A\$2.0 million to the joint venture in tranches between June 2020 to February 2022 for subsequent phases of exploration including Gradient Array IP (“GAIP”) geophysics, Reverse Circulation (“RC”) and diamond drilling programs, metallurgical test work, and Mineral Resource estimates over the Horseshoe South, Horseshoe Extended, Brumby Creek East, Brumby Creek West, Area 74 and Black Hill prospect areas.

During the quarter ending 31 March 2022, 2,498 metres of RC drilling was completed at the Brumby Creek and Red Rum manganese targets. Assay results are pending.

Gradient Array Induced Polarisation (GAIP) surveys are planned for Q2 2022 in the Horseshoe Mine Prospect Area to identify potential manganese targets. A follow up drill program will be planned thereafter.

BYH released its maiden Inferred and Indicated JORC 2012 compliant Mineral Resource estimate of 1.84 million tonnes at 21.0% Mn¹. This comprised an Indicated Mineral Resource of 1.08 million tonnes at 21.7% Mn and an Inferred Mineral Resource of 0.75 million tonnes at 19.9% Mn.

To date OMM has funded a total of A\$3.0 million towards the Bryah Basin Manganese JV (“BBMJV”), increasing its total joint venture interest to 51%. OMM has since elected to become the manager of the BBMJV. BYH has advised it will continue to fund its residual joint venture interest.

¹ Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 3 March 2022 “*Maiden Bryah Basin Manganese Mineral Resource*”

3. 701 Mile Manganese Project with Great Sandy Pty Ltd (“701 Mile Manganese Project”)

As previously announced, OMM executed a Farm-in and Exploration Joint Venture Agreement with Great Sandy Pty Ltd for the 701 Mile Manganese Project, located approximately 90km southeast of Newman.

The manganese outcrop area has not been drill tested to date and there is no existing mineral resource estimate for the 701 Mile Manganese Project.

Ethnographic and Archaeological surveys covering the proposed area of an initial wide spaced 70 RC drill hole program were completed in the quarter ended 31 December 2021. The area



was cleared of any significant Aboriginal sites and a first exploration drilling program is scheduled for completion in the second quarter of 2022.

A Land Access Agreement with the pastoral lease owner was executed in March 2022.

CAPITAL STRUCTURE

There was no movement in the share capital structure of the Company during the quarter ended 31 March 2022. As at 31 March 2022, the Company had 738,623,337 ordinary shares on issue.

As at 31 March 2022, a total of 109,092,986 shares were listed on Bursa Malaysia and 629,530,351 shares listed on the Australian Securities Exchange.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley

Joint Company Secretary

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This ASX announcement was authorised for release by the Board of OM Holdings Limited.