

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

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SYDNEY NSW 2000

Dear Sir/Madam

DECEMBER 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 (100% owned smelter in Samalaju, East Malaysia)

- Production output for the quarter ended 31 December 2022 was 34,332 tonnes of ferrosilicon (“FeSi”), 41,495 tonnes of manganese alloys (included silicomanganese (“SiMn”), high carbon ferromanganese (“HCFeMn”) and low carbon silicomanganese (“LCSiMn”)) and 31,459 tonnes of manganese sinter ore
- A total of 41,542 tonnes of FeSi and 52,752 tonnes of manganese alloys were sold during the quarter ended 31 December 2022
- To date, 4 manganese alloy furnaces have completed major maintenance while 8 furnaces will undergo major maintenance in phases throughout 2023
- Two FeSi furnaces were successfully modified and converted to produce silicon metal, and the first is currently undergoing hot commissioning and performance testing
- Loan repayment of US\$6.5 million was made to project finance lenders during the quarter ended 31 December 2022

MARKETING, TRADING AND MARKET UPDATE

- 326,025 tonnes of ores and alloys were transacted in the period from 1 October 2022 to 31 December 2022 as compared to 294,223 tonnes from 1 July 2022 to 30 September 2022, which represented a quarter-on-quarter increase of 10.8%. The increase was mainly due to higher volume of Mn ore sales during the period
- World crude steel production during October and November 2022 was 299.1 million tonnes, which represented a marginal 0.6% increase compared to the same period in 2021

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OPERATING PERFORMANCE (CONT'D)

- Price of 44% Mn ore closed at US\$5.13/dmtu CIF China at the end of December 2022, an increase of 16.3% from US\$4.41/dmtu CIF China at the end of September 2022
- Both FeSi and SiMn prices remained stable during the current quarter. FeSi price closed at US\$1,630 per metric tonne CIF Japan at the end of December 2022, a marginal increase from US\$1,620 per metric tonne CIF Japan at the end of September 2022, while SiMn price closed marginally lower at US\$1,030 per metric tonne CIF Japan at the end of December 2022 as compared to US\$1,040 per metric tonne CIF Japan at the end of the previous quarter

CORPORATE

- As at 17 January 2023, a total of 109,777,286 shares were listed on Bursa Malaysia and 628,846,051 shares were 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 6 units are allocated for the production of FeSi, 8 units for manganese alloys and 2 units for silicon metal. Upon completion of the conversion works the Plant will have a design capacity to produce approximately 120,000 to 126,000 tonnes of FeSi, 333,000 to 400,000 tonnes of manganese alloys and 21,000 to 24,500 tonnes of silicon metal 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 December 2022, 10 out of 16 furnaces were in operation with 5 furnaces producing FeSi, 4 furnaces producing manganese alloys and 1 furnace producing silicon metal (undergoing hot commissioning phase). The remaining 6 furnaces were shut down for major maintenance (4 furnaces), conversion to produce silicon metal (1 furnace) and preparation for major maintenance (1 furnace).

	Dec 2022 Quarter	Sep 2022 Quarter	YTD 2022
Tonnes			
Production			
Ferrosilicon	34,332	37,094	140,355
Manganese Alloys	41,495	54,011	216,813
Manganese Sinter Ore (<i>commissioning phase</i>)	31,459	25,159	112,711
Sales			
Ferrosilicon	41,542	36,607	146,646
Manganese Alloys	52,752	54,048	216,604

For the quarter ended 31 December 2022, production volumes for FeSi decreased by 7.4% as compared to the previous quarter. 1 FeSi furnace was shut down from November 2022 onwards for major maintenance. Similarly, production volumes for manganese alloys decreased by 23.2% as 4 manganese alloy furnaces were shut down in stages for major maintenance works, which resulted in a loss of 117 operating days (or 23.7%) for the quarter ended 31 December 2022.

For the quarter ended 31 December 2022, sales volumes for FeSi increased by 13.5% as a result of higher production from Q3 2022 which was sold in Q4 2022. Meanwhile, manganese alloys sales volume decreased marginally by 2.4% as compared to the previous quarter ended 30 September 2022.

To date, 4 Mn alloy furnaces have completed major maintenance while 8 furnaces will undergo major maintenance in phases throughout 2023. The 8 furnaces scheduled for major maintenance will be shut down in stages to minimise disruptions to ongoing operations at the Plant. Both FeSi furnaces were successfully modified and converted to produce silicon metal and one is currently undergoing hot commissioning and performance testing.

Loan repayment of US\$6.5 million was made to project finance lenders during the quarter ended 31 December 2022.

As part of its tax incentive package from the Malaysian government, OM Sarawak is permitted to apply for an additional 5 years exemption on 70% of its taxable income, for the period from 1 December 2021 to 30 November 2026, subject to the satisfaction of certain pre-agreed



criteria with the Malaysian Investment Development Authority (“MIDA”). OM Sarawak has been given up to 30 November 2026 to meet these pre-agreed criteria. The company expects to meet these criteria within the stipulated time frame.

Share Purchase Agreement

Further to the ASX announcements dated [5 May 2022](#), [31 May 2022](#), [14 June 2022](#), [15 September 2022](#), [25 November 2022](#) and [6 December 2022](#), OMH’s wholly owned subsidiary, OM Materials (S) Pte Ltd (“OMS”) has completed the acquisition of the remaining 25% interest in OM Sarawak and OM Materials (Samalaju) Sdn Bhd (“OM Samalaju”) (the “Acquisition”).

OMH now owns 100% of the equity interest in both OM Sarawak and OM Samalaju through OMS with effect from 06 December 2022.

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

Production at the 100% owned Bootu Creek Manganese mine (the “Mine”) ceased as planned during the quarter ended 31 December 2021. Processing of the final ore occurred in January 2022 and sales during the quarter ended 31 December 2022 are summarised below:

	Unit	Dec 2022 Quarter	Sep 2022 Quarter	YTD 2022
Mining				
Total Material Mined	bcms	-	-	-
Ore Mined – tonnes	dt	-	-	-
Ore Mined – Mn grade	%	-	-	-
Production				
Lumps – tonnes	dt	-	-	12,463
Lumps – Mn grade	%	-	-	29.27
Fines/SPP/UFP – tonnes	dt	-	-	5,608
Fines/SPP/UFP – Mn grade	%	-	-	27.39
Total Production – tonnes	dt	-	-	18,071
Total Production – Mn grade	%	-	-	28.69
Sales				
Lumps – tonnes	dt	-	-	117,056
Lumps – Mn grade	%	-	-	27.86
Fines/SPP – tonnes	dt	-	-	27,296
Fines/SPP – Mn grade	%	-	-	33.20
Total Sales – tonnes	dt	-	-	144,352
Total Sales – Mn grade	%	-	-	28.87



Processing

The Mine was placed under care and maintenance mode since the end of January 2022.

The Ultra Fines Plant (“UFP”) rectification plan was completed in the current quarter and requires an additional capital expenditure of approximately A\$6.5M to replace the screens and upgrade both the water supply and tailings pump capacities.

The rectifications are expected to take approximately 12 months to complete due to the long lead times required for the fabrication and delivery of the screens to the Mine.

Environmental Programs

For the quarter ended 31 December 2022, the primary focus was to make ready, survey, and cross-rip designated areas of the Mine in preparation for aerial seeding for reforestation and this was completed in mid-November 2022.

The Life of Mine rehabilitation progressed with the following being achieved in the quarter ended 31 December 2022.

- 95% of landforms have been profiled to date (453ha);
- 89% of landforms had topsoil applied to the top and profiled batters (421.6ha);
- 73% of profiled landforms were directly seeded or revegetated with native seed stock (347.8ha);
- Rehabilitation of exploration drill collars have been completed (few remain for water level and chemistry monitoring); and
- Weed spraying has continued as agreed with the Northern Territory Government Weed Management Branch during their site visit to the Mine in November 2022.

Rehabilitation of the remaining areas will continue in 2023.

MARKETING AND TRADING UPDATE

During the quarter ended 31 December 2022, a total of 326,025 tonnes of ores and alloys were transacted, which represented a 10.8% quarter-on-quarter increase compared to the previous quarter ended 30 September 2022. The increase was mainly due to higher volumes of Mn ore sales during the quarter ended 31 December 2022.

According to the International Manganese Institute (IMnI), world crude steel production during October and November 2022 was 299.1 million tonnes, which represented a marginal increase of 0.6% as compared to the same corresponding period in 2021.

Fastmarkets MB reported that the price of 44% Mn ore closed at US\$5.13/dmtu CIF China at the end of December 2022, an increase of 16.3% from US\$4.41/dmtu CIF China at the end of September 2022. The price increase was due to the recovery of manganese ore demand from smelters.

During the quarter ended 31 December 2022, FeSi price increased marginally from US\$1,620 to US\$1,630 per metric tonne CIF Japan, and SiMn price decreased marginally from US\$1,040 to US\$1,030 per metric tonne CIF Japan. The prices for both ferroalloys during the quarter have remained relatively stable.

Freight rates for the quarter ended 31 December 2022 continued to decline from the preceding quarter, with Fastmarkets MB reporting an implied freight of US\$0.79/dmtu from South Africa to China for 37% manganese ore, compared to US\$0.97/dmtu at the end of September 2022.



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.

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.

Tshipi Borwa Manganese Mine

Tshipi exports (100%) for the quarter ended 31 December 2022 totaled 839,335 tonnes, which represented a decrease of 9.3% from the previous quarter ended 30 September 2022. Sales were down mainly due to the employee strike of the rail and port services provider in South Africa in October 2022, which has since been resolved.

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).

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 Bryah Basin Manganese Joint Venture (“BBMJV”).

OMM funded a further A\$2.0 million to earn a 51% JV interest in March 2022 and assumed JV management in July 2022. OMM and BYH continued to co-contribute on a 51%:49% basis to the JV until the end of September 2022. OMM is currently sole funding A\$1.8 million on exploration to earn a 60% interest in the BBMJV.

BYH released the maiden BBMJV Inferred and Indicated JORC 2012 compliant Mineral Resource estimate totalling 1.84 million tonnes at 21.0% Mn¹ covering Horseshoe South, Horseshoe Extended, Brumby Creek East, Brumby Creek West, Area 74, and Black Hill deposits in March 2022.

Two Gradient Array IP (“GAIP”) geophysical programs, covering a total of 6km of strike, were completed in April and November 2022, and together with outcrop mapping and rock chip sampling have identified several new targets currently waiting on Heritage clearance before drill testing. Three Reverse Circulation (“RC”) exploration drill programs were completed in 2022 including 64 holes (2,498 metres) in March, 39 holes (1,458 metres) in June and 41 holes (1,557 metres) in December 2022.

Assay results from the March 2022 RC drill program^{2,3} confirmed a southern extension of Brumby West deposit and confirmed Redrum GAIP target as a new deposit. Assay results for the June 2022 RC drill program which tested selected geophysical buried channel targets in the Black Hill, Black Beauty, Brumby Creek and Horseshoe South areas returned isolated low grade intersections, though full access was restricted by limited Heritage cover.

The December 2022 drill program was limited to extending the Brumby Creek West deposit to the south and infill drilling on the Redrum deposit. Assay results from this drill program are not expected until later in first quarter of 2023. An update of the current BBMJV Inferred and Indicated Mineral Resource estimate will be undertaken following receipt of assay results from the December 2022 drill program.



A sonic drill program of the Horseshoe South DMS Rejects stockpile is scheduled for the middle of the first quarter of 2023.

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

² Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 1 August 2022 *“New Manganese mineralisation identified at Redrum Prospect”*

³ Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 31 August 2022 *“Continued Manganese drilling Success at Redrum and Brumby West”*

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 (the “701 Mile JV Agreement”) with Great Sandy Pty Ltd for the 701 Mile Manganese Project, located approximately 90km southeast of Newman on E52/3587.

Ethnographic and Archaeological surveys covering the area of the initial RC drill program were completed in the quarter ended 31 December 2021. The area was cleared of any significant Aboriginal sites. A Land Access Agreement with the pastoral lease owner was executed in March 2022.

The initial wide spaced drill program of 56 RC holes (1,393m) was completed in June 2022. Assay results have outlined a wide area of mineralisation with manganese grades typically associated with other manganese shale deposits in the East Pilbara. Drill collar locations and assay intersections (>8% Mn) and the JORC tables were listed in the previous quarterly report.

The A\$0.25 million “Due Diligence” phase of the 701 Mile JV Agreement was completed in the previous quarter. An Option Fee of A\$50,000 has been paid by OMM to advance to Stage 1 exploration with an expenditure requirement of A\$1.25 million required within the next 3 years (i.e. 2023 to 2025) to earn a 51% interest in the 701 Mile Manganese Joint Venture. A further expenditure of A\$1.00 million over the following 2 years thereafter would be required to increase OMM’s interest in the 701 Mile Manganese Joint Venture to 80%.

The Stage 1 RC drill program is proposed to infill and extend the mineralised areas of interest. Requests for further Heritage Clearance and application for Plan of Works to extend the project area have been submitted.

4. Weelaranna Project Area

E52/3892 is a 100% OMM owned Exploration Licence (recently trimmed to 30 blocks) located to the west of the 701 Mile Manganese Project area.

Geological mapping has commenced, and a 90 square kilometre high resolution image and Lidar aerial survey was completed in May 2022.

A Programme of Works application for the proposed initial RC drill program which was submitted in the quarter ended 30 September 2022 was approved in November 2022. A request for Heritage Clearance of the proposed drill area and access track was submitted to the relevant authorities in September 2022 and heritage clearance is expected to be conducted in the first quarter of 2023.

5. OMS Private Bond Issuance

OMS raised A\$30.9 million through the issue of private bonds to certain key management personnel, managers, employees and sophisticated and professional investors of OMM and/or its subsidiaries who were invited to subscribe for Bonds by OMS.



The funds raised from the issuance of the Bonds were used to partly finance the purchase by OMS of the remaining 25% interest in OM Sarawak and OM Samalaju.

CAPITAL STRUCTURE

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

As at 17 January 2023, a total of 109,777,286 shares were listed on Bursa Malaysia and 628,846,051 shares were listed on the Australian Securities Exchange.

Yours faithfully

OM HOLDINGS LIMITED

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Joint Company Secretary

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