Dear Sir/Madam

SEPTEMBER 2019 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 30 September 2019 of 58,127 tonnes of ferrosilicon ("FeSi") and 64,775 tonnes of manganese alloy comprised mainly of silicomanganese ("SiMn") and high carbon ferromanganese ("HCFeMn")
- A total of 57,249 tonnes of FeSi and 67,583 tonnes of manganese alloy were sold during the quarter ended 30 September 2019
- During the quarter ended 30 September 2019, loan repayments of US$16 million (approximately A$24 million) were made to the project finance lenders

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

- Manganese ore production of 101,877 tonnes with an average grade of 34.01% Mn for the quarter ended 30 September 2019
- Manganese ore shipments for the quarter ended 30 September 2019 were 141,269 tonnes with an average grade of 35.47% Mn and an additional 1,864 tonnes were sold domestically
- Construction of the TRP was completed during the quarter. However, due to limitations of the on-site water supply, the TRP was not fully commissioned

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

- OMQ produced 10,615 tonnes of manganese alloy and 9,387 tonnes of manganese sinter ore, and sold 11,435 tonnes of manganese alloy for the quarter ended 30 September 2019
OPERATING PERFORMANCE (CONT’D)

MARKETING AND TRADING, AND MARKET UPDATE

- 387,927 tonnes of ores and alloys were transacted in the period from 1 July 2019 to 30 September 2019 as compared to 516,018 tonnes from 1 April 2019 to 30 June 2019, representing a quarter-on-quarter decrease of 25%, due to a decrease of third party ores and OMM ores traded.

- World crude steel production during June and July 2019 was 312.2 million tonnes, representing a 3% increase as compared to the same corresponding period in 2018.

CORPORATE

- As previously announced, the Board has resolved to declare an interim dividend of A$0.01 per share for the 6 months ended 30 June 2019. The Record Date for the dividend will be 8 November 2019 and the Payment Date will be 29 November 2019.

- In August 2019, Ntsimbintle Mining Limited (“NML”) which holds a 50.1% interest in the Tshipi Borwa Manganese Mine declared and paid a net dividend of A$16.8 million to the Group.
OM Sarawak owns a Ferro Alloy Smelting Plant in the Samalaju Industrial Park in Sarawak, Malaysia (the "Plant"). The Plant consists of 8 main workshops and a total of 16 units of 25.5 MVA furnaces, of which 10 units are allocated for the production of FeSi and 6 are units allocated for the production of manganese alloy. The Plant has a capacity to produce approximately 200,000 to 210,000 tonnes of FeSi and 250,000 to 300,000 tonnes of manganese alloy per annum.

**Commercial operation**

As at 30 September 2019, 16 furnaces were in operation with 8 furnaces producing standard grade FeSi, 2 furnaces producing refined FeSi, and 6 furnaces producing manganese alloy. Production and sales for the quarter ended 30 September 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sep 2019 Quarter</th>
<th>Jun 2019 Quarter</th>
<th>9 Months YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferrosilicon</td>
<td>58,127</td>
<td>57,901</td>
<td>172,439</td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>64,775</td>
<td>62,750</td>
<td>186,700</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferrosilicon</td>
<td>57,249</td>
<td>58,330</td>
<td>166,750</td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>67,583</td>
<td>62,333</td>
<td>180,540</td>
</tr>
</tbody>
</table>

During the quarter ended 30 September 2019, the Plant produced a total of 58,127 tonnes of FeSi and 64,775 tonnes of manganese alloy. The Plant continued operating at full capacity, with FeSi production volumes for the quarter ended 30 September 2019 similar to the production volumes for the quarter ended 30 June 2019, while manganese alloy production volumes increased marginally by approximately 3% as compared to the quarter ended 30 June 2019.

During the quarter ended 30 September 2019, a total of 57,249 tonnes of FeSi and 67,583 tonnes of manganese alloy were sold, as compared to 58,330 tonnes of FeSi and 62,333 tonnes of manganese alloy for the quarter ended 30 June 2019.

During the quarter ended 30 September 2019, construction works for the expansion of the raw material storage warehouses neared completion and contractors are in the process of commencing the handover requirements. The sinter plant is expected to be completed in the quarter ending 31 December 2019.

During the quarter ended 30 September 2019, loan repayments of US$16 million (approximately A$24 million) were made to the project finance lenders.

During the quarter ended 30 September 2019, OM Sarawak also successfully secured an increase in its annual nominated power capacity from 350 MW to 430 MW. The additional power capacity will take effect from FY2022. This increase will underpin the projects power requirements to support its expansion plans over the next few years.
SMELTING
OM MATERIALS (QINZHOU) Co Ltd (“OMQ”)

Production and sales from the Qinzhou smelter and sinter plant for the quarter ended 30 September 2019 are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>Sep 2019 Quarter</th>
<th>Jun 2019 Quarter</th>
<th>9 Months YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>10,615</td>
<td>9,132</td>
<td>29,452</td>
</tr>
<tr>
<td>Manganese Sinter Ore</td>
<td>9,387</td>
<td>10,034</td>
<td>31,618</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>11,435</td>
<td>7,260</td>
<td>28,754</td>
</tr>
<tr>
<td>Manganese Sinter Ore</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Production

During the quarter ended 30 September 2019, OMQ produced a total of 10,615 tonnes of manganese alloy and 9,387 tonnes of manganese sinter ore.

Sales

During the quarter ended 30 September 2019, OMQ secured sales of 11,435 tonnes of manganese alloy. Sinter ore production was utilised as feed for the production of manganese alloy and not externally sold.

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

Production at the 100% owned Bootu Creek Manganese mine (the “Mine”) for the quarter ended 30 September 2019 is summarised below:

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Sep 2019 Quarter</th>
<th>Jun 2019 Quarter</th>
<th>9 Months YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mining</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Material Mined</td>
<td>bcm</td>
<td>1,300,274</td>
<td>2,598,615</td>
<td>5,744,393</td>
</tr>
<tr>
<td>Ore Mined – tonnes</td>
<td>dt</td>
<td>251,527</td>
<td>356,820</td>
<td>1,034,190</td>
</tr>
<tr>
<td>Ore Mined – Mn grade</td>
<td>%</td>
<td>20.21</td>
<td>21.07</td>
<td>20.48</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lumps – tonnes</td>
<td>dt</td>
<td>74,098</td>
<td>143,686</td>
<td>343,045</td>
</tr>
<tr>
<td>Lumps – Mn grade</td>
<td>%</td>
<td>33.29</td>
<td>35.20</td>
<td>34.74</td>
</tr>
<tr>
<td>Fines/SPP – tonnes</td>
<td>dt</td>
<td>27,779</td>
<td>51,530</td>
<td>119,210</td>
</tr>
<tr>
<td>Fines/SPP – Mn grade</td>
<td>%</td>
<td>35.93</td>
<td>37.21</td>
<td>36.75</td>
</tr>
<tr>
<td>Total Production – tonnes</td>
<td>dt</td>
<td>101,877</td>
<td>195,216</td>
<td>462,255</td>
</tr>
<tr>
<td>Total Production – Mn grade</td>
<td>%</td>
<td>34.01</td>
<td>35.73</td>
<td>35.26</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lumps – tonnes</td>
<td>dt</td>
<td>95,660</td>
<td>136,301</td>
<td>361,017</td>
</tr>
<tr>
<td>Lumps – Mn grade</td>
<td>%</td>
<td>34.80</td>
<td>34.74</td>
<td>34.64</td>
</tr>
<tr>
<td>Fines/SPP – tonnes</td>
<td>dt</td>
<td>47,473</td>
<td>50,099</td>
<td>159,856</td>
</tr>
<tr>
<td>Fines/SPP – Mn grade</td>
<td>%</td>
<td>36.83</td>
<td>36.85</td>
<td>36.47</td>
</tr>
<tr>
<td>Total Sales – tonnes</td>
<td>dt</td>
<td>143,133</td>
<td>186,400</td>
<td>520,873</td>
</tr>
<tr>
<td>Total Sales – Mn grade</td>
<td>%</td>
<td>35.47</td>
<td>35.31</td>
<td>35.21</td>
</tr>
</tbody>
</table>
Fatality

As announced on 26 August 2019 the Company deeply regrets the loss of Mr Craig Butler’s life following an accident whereby there was a wall failure in the Tourag pit. The Company is continuing to support the family through this difficult time. Employee and contractor safety is a priority for the Company and all its subsidiaries including OMM. Safety and risk mitigation practices and procedures are in place for all operations. As is normal practice in such situations, the NT Government issued a stop work order on further mining activities pending the requirement for OMM to provide amongst other items an independent geotechnical report.

Mining

Prior to the suspension of mining, a total of 1.3 million bcm of material was mined including 251,527 tonnes of ore at 20.21% Mn grade during the September 2019 quarter. At the time of the suspension, ore production was completed in the Masai 2A pit, clearing commenced for the Masai 2B pit, and de-stacking of the east wall ramp in Tourag 8B pit had just reached the ore zone. Clearing and initial stripping for the Shekuma 8 pit slowed with mining focussed on the western limb pits.

The total material mined in the quarter ended 30 September 2019 was lower than in the quarter ended 30 June 2019 due to the suspension of mining.

In September 2019 the Department of Primary Industry and Resources (the “Department”) approved some non in pit mining activities such as the rehabilitation of mine waste dumps, haulage of low-grade stocks to the main Run of Mine (“ROM”) stockpiles, commencement of drainage diversion works around the Shekuma 8 pit, and backfilling of the Yaka 4 pit adjacent to Bootu Creek.

OMM has been working closely with the Department to recommence in pit mining activities. OMM hopes to make a staged re-start to such in-pit mining operations by mid-November pending a review currently underway by independent geotechnical engineers which will be provided to the Department to support the requisite approvals sought by OMM. Preparations are currently underway to commence a program of geotechnical diamond drill holes for Shekuma and Chugga Far North pits.

Exploration diamond drilling will follow with a short program at Renner Springs to assess metallurgical characteristics of the Renner West deposit. The impact from the mining suspension does not alter the fundamental economics of the Sarawak smelting division.

Processing

The Mine achieved ore production of 101,877 tonnes for the quarter ended 30 September 2019 at an average grade of 34.01% Mn.

A total of 261,997 tonnes of ROM and a further 201,427 tonnes of mineralised ore was crushed for the quarter ended 30 September 2019. The associated 431,219 tonnes of scrubbed material had a yield of 23.6% against a budgeted yield of 45.6%. The lower yield was mainly attributed to a higher proportion of mineralised ore treated, higher silicon content within the stockpiled ore mined from the Masai 2 pit and no contribution of product from the Tailings Retreatment Plant (“TRP”) compared to budget. The product grade strategy was reduced to 26% Mn in the latter part of the quarter to reflect the lower yield from the mineralised ores, which contributed to the reduction in the final product grade for the quarter ended 30 September 2019.

The Department provided approval on 7 October 2019 to re-start the dewatering of the pits required to facilitate the requisite water supply to operate the processing plants. For the December 2019 quarter, the processing plants will be processing stockpiled mineralised ore to produce a lower grade manganese product until approval is provided by the Department to recommence in-pit mining operations.
Logistics

During the quarter ended 30 September 2019, a total of 141,269 tonnes of manganese product was exported through the Port of Darwin in four vessels, with an additional 1,864 tonnes sold domestically. Comparatively, in the corresponding quarter in 2018, a total of 251,972 tonnes of manganese product was exported through the Port of Darwin in six vessels.

Unit operating costs

The C1 unit cash operating cost for the quarter ended 30 September 2019 was A$7.50/dmtu (US$5.14/dmtu) as compared to A$4.38/dmtu (US$3.07/dmtu) for the quarter ended 30 June 2019. The increase in the C1 unit cash operating cost in the current quarter was mainly due to the suspension of mining activities which limited production.

The suspension of mining activities and the resultant reduction in production and sales volumes, coupled with the uncertainty of when approval will be provided by the Department to allow OMM to recommence in-pit mining activities has impacted OMM’s financial contribution to the Group. OMM’s revenue is expected to decrease by approximately 50% and a forecast net loss contribution of approximately A$10 million is projected for the 6 month period ending 31 December 2019. This will correspondingly impact the Group’s results for the 6 month period ending 31 December 2019 and the FY 2019 results.

Update on Tailings Retreatment Plant (“TRP”)

Construction of the TRP was completed during the quarter. However, due to constraints with the limited water supply, the TRP was not fully commissioned. Final commissioning of the TRP is expected to occur once water supply levels are sustainable with the current priority for water directed towards the main and secondary processing plants.

Completed construction of the TRP
MARKETING AND TRADING UPDATE

During the quarter ended 30 September 2019, a total of 387,927 tonnes of ores and alloys was transacted, representing approximately a 25% quarter-on-quarter decrease compared to the quarter ended 30 June 2019 of 516,018 tonnes. This decrease was mainly from lower volumes of third party ores and OMM ores (as a result of the suspension of mining activities following the fatal accident in August 2019) traded in the current quarter.

According to Worldsteel, world crude steel production during June and July 2019 was 312.2 million tonnes, representing an increase of 2.7% from the same corresponding period in 2018.

Metal Bulletin reported that the price of 44% Mn ore closed at US$5.12/dmtu CIF China at the end of September 2019. This represented a decrease of US$0.62/dmtu from the previous quarter of US$5.74/dmtu CIF China as port stocks in China remain elevated as a result of continued capacity expansion from miners globally.

Platts reported that prices of FeSi to Japan closed lower at US$1,070 per metric tonne at the end of September 2019, a decrease from US$1,110 per metric tonne at the end of June 2019. The fall in the price of FeSi was mainly due to lower international prices affected by an inflow of Western products into Asian markets.

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 Limited ("NML"). NML 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 June 2019, Tshipi paid to NML a special dividend of ZAR 576 million (approximately US$40.9 million) for the 4 months ended 30 June 2019. In August 2019, NML declared and paid a net dividend of A$16.8 million to the Group.

In addition to the above, Tshipi paid a further dividend of ZAR 300.6 million (approximately US$19.8 million) to NML for the remaining 2 months for the half year ended 31 August 2019. The Group is expected to receive its share of this dividend from NML in the fourth quarter of 2019.

During the quarter, the board of NML decided to terminate the process to potentially list the issued shares of NML on the securities exchange operated by the JSE. Alternative corporate strategies are continuing to be evaluated and assessed by NML.

Tshipi Borwa Manganese Mine

Tshipi exports (100%) for the quarter ended 30 September 2019 totalled 839,462 tonnes (Q3 2018: 918,090 tonnes), representing approximately an 9% decrease from the corresponding quarter in 2018. Tshipi exports (100%) for the previous quarter ended 30 June 2019 were 945,078 tonnes.
2. Interim Dividend

As previously announced, the Board has resolved to declare an interim dividend of A$0.01 per share for the 6 months ended 30 June 2019. The Record Date for the dividend will be 8 November 2019 and the Payment Date will be 29 November 2019.

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

As previously announced, OMM executed a binding Farm-In and Joint Venture Agreement (the “Agreement”) for the Bryah Basin Manganese Project with Bryah Resources Limited (ASX Code: BYH) (“Bryah Project”) in April 2019. Under the Agreement, OMM funded A$500,000 of exploration expenditure in the initial exploration program which was completed by BYH during the quarter ended 30 September 2019. Preliminary drilling results indicated that the project has potential for exploration success and the identification of prospective manganese.

In August 2019, OMM exercised its option to form the joint venture with BYH by paying A$250,000. OMM now holds an initial 10% joint venture interest and has the option to acquire a further 41% interest in the joint venture by funding incrementally up to an additional A$2 million for project expenditure by 30 June 2022.

Activities to be undertaken in the December 2019 quarter include detailed ground mapping, acquisition of high-resolution aerial photography and the completion of heritage surveys of new target areas at the Labouchere, Cheval and Black Beauty Prospects ahead of follow-up drilling. These activities will be progressed by BYH.

CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter ended 30 September 2019. As at 30 September 2019, the Company had 738,623,337 ordinary shares and 12,500,000 unsecured convertible notes on issue.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary