MARCH 2020 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 2020 of 52,308 tonnes of ferrosilicon ("FeSi") and 51,723 tonnes of manganese alloy comprised mainly silicomanganese ("SiMn") and high carbon ferromanganese ("HCFeMn")
- A total of 49,540 tonnes of FeSi and 55,167 tonnes of manganese alloy were sold during the quarter ended 31 March 2020
- 2 out of 10 FeSi furnaces were shut-down in early February 2020. In March 2020 due to COVID-19, the Malaysian Government implemented a Movement Control Order ("MCO") which required non-essential businesses and services to cease. Labour shortages were experienced due to strict travel restrictions impacting manufacturers’ production capability
- During the quarter ended 31 March 2020, principal loan repayments of US$12.9 million (approximately A$20.9 million) were made to the project finance lenders

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

- Approval for the recommencement of mining activities on the Western Limb, specifically Masai 2, 3, and 4 cutbacks, was obtained from the Department of Primary Industry and Resources ("DPIR") on 23 December 2019
- Manganese ore production of 99,559 tonnes with an average grade of 28.27% Mn for the quarter ended 31 March 2020
- Manganese ore shipments for the quarter ended 31 March 2020 were 65,138 tonnes with an average grade of 27.62% Mn
- The Ultra Fines Plant (UFP) was commissioned at the end of March 2020
OPERATING PERFORMANCE (CONT’D)

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

- OMQ produced 10,140 tonnes of manganese alloy and 8,051 tonnes of manganese sinter ore, and sold 3,391 tonnes of manganese alloy for the quarter ended 31 March 2020. Production was suspended in March 2020 for scheduled maintenance on the furnaces.

MARKETING AND TRADING, AND MARKET UPDATE

- 449,600 tonnes of ores and alloys were transacted in the period from 1 January 2020 to 31 March 2020 as compared to 410,618 tonnes from 1 October 2019 to 31 December 2019, representing a quarter-on-quarter increase of 9.5%, due to an increase of smelter raw materials traded.

- World crude steel production during January and February 2020 was 294.0 million tonnes, representing a 2.1% decrease as compared to the same corresponding period in 2019.

- Price of 44% Mn ore closed at US$4.27/dmtu CIF China at the end of March 2020 after hitting a high for the quarter of US$4.70/dmtu at the end February 2020. 44% Mn ore prices continued to increase given South Africa’s limited export capacity amidst the COVID-19 lockdown, reaching US$6.52/dmtu on 24 April 2020.

CORPORATE

- As previously announced, the Board declared a final dividend of A$0.01 per ordinary share (for a total of A$0.02 per ordinary share in FY2019). However, in view of the current circumstances arising from COVID-19, OMH has decided to pay A$0.005 of the final dividend on 29 May 2020 and considers it prudent to defer the remaining A$0.005 per ordinary share of the final dividend. The actual payment date of the deferred portion will be subject to review by the Board in August 2020. The record date for the payment of the A$0.005 per ordinary share will remain as 8 May 2020.
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 are units allocated for the production of manganese alloy. 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 alloy per annum.

**Commercial operation**

For the quarter ended 31 March 2020, 14 out of 16 furnaces were in operation with 8 furnaces producing FeSi and 6 furnaces producing manganese alloy. Due to the COVID-19 pandemic, 2 FeSi furnaces were shut-down in early February 2020. Production and sales for the quarter ended 31 March 2020 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Mar 2020 Quarter</th>
<th>Dec 2019 Quarter</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FeSi</td>
<td>52,308</td>
<td>58,296</td>
<td>52,308</td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>51,723</td>
<td>61,463</td>
<td>51,723</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FeSi</td>
<td>49,540</td>
<td>53,078</td>
<td>49,540</td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>55,167</td>
<td>59,740</td>
<td>55,167</td>
</tr>
</tbody>
</table>

The outbreak of COVID-19 was declared as a pandemic and continues to evolve to-date. This has negatively affected general economic activity globally. In March 2020, the Malaysian Government implemented a Movement Control Order seeking to prevent the spread of COVID-19 in the region. As a result non-essential businesses and services ceased. Labour shortages were experienced due to strict travel restrictions which impacted manufacturers’ production capability. Consequently, all construction, repair and maintenance works were delayed at the Plant. This included the handover process for the capital expansion project initiatives associated with the Plant and the hot commissioning of the sinter plant.

Both production output and sales volumes for FeSi for the quarter ended 31 March 2020 decreased by 10% and 7% respectively, as compared to the previous quarter ended 31 December 2019. The decrease in production output and sales volumes of manganese alloy was due to a change in the mix of products produced as a result of market demand.

During the quarter ended 31 March 2020, principal loan repayments of US$12.9 million (approximately A$20.9 million) were made to the project finance lenders.

As the scale and duration of the developments associated with COVID-19 remain uncertain, contingency plans have been formulated and activated to minimize the impact and ensure business continuity to the greatest extent possible at the Plant.

In an effort to support the Sarawak State Government in containing the spread of the pandemic, OM Sarawak sponsored RM1.4 million worth of personal protective equipment (PPE) to the front-line workers at Sarawak hospitals. The PPE consisted of 10,000 disposable protective suits, 10,000 isolation gowns, 5,000 face shields and 5,000 safety goggles.
SMELTING
OM MATERIALS (QINZHOU) Co Ltd ("OMQ")

Production and sales from the Qinzhou smelter and sinter plant for the quarter ended 31 March 2020 are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>Mar 2020 Quarter</th>
<th>Dec 2019 Quarter</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>10,140</td>
<td>12,339</td>
<td>10,140</td>
</tr>
<tr>
<td>Manganese Sinter Ore</td>
<td>8,051</td>
<td>10,791</td>
<td>8,051</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manganese Alloy</td>
<td>3,391</td>
<td>10,431</td>
<td>3,391</td>
</tr>
<tr>
<td>Manganese Sinter Ore</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Production**

In the quarter ended 31 March 2020, OMQ produced a total of 10,140 tonnes of manganese alloy and 8,051 tonnes of manganese sinter ore. As a short term measure, OMQ has shut down its furnaces at the end of March 2020 for scheduled maintenance.

**Sales**

During the quarter ended 31 March 2020, OMQ secured sales of 3,391 tonnes of manganese alloy. Sinter ore production was utilised as feed for the production of manganese alloy and not externally sold.

The drop in production and sales volumes during the current quarter were largely impacted by the outbreak of COVID-19, which had triggered provincial lockdowns in China and restrictions on trucking services to contain the spread of COVID-19. In early April, China progressively eased certain restrictions with preventive measures still strictly in place.
EXPLORATION AND MINING
OM (MANGANESE) LTD ("OMM")

Production at the 100% owned Bootu Creek Manganese mine (the "Mine") for the quarter ended 31 March 2020 is summarised below:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Mar 2020 Quarter</th>
<th>Dec 2019 Quarter</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Material Mined bcms</td>
<td>1,301,348</td>
<td>3,946</td>
<td>1,301,348</td>
</tr>
<tr>
<td>Ore Mined – tonnes dt</td>
<td>36,101</td>
<td>-</td>
<td>36,101</td>
</tr>
<tr>
<td>Ore Mined – Mn grade %</td>
<td>16.03</td>
<td>-</td>
<td>16.03</td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lumps – tonnes dt</td>
<td>76,138</td>
<td>95,464</td>
<td>76,138</td>
</tr>
<tr>
<td>Lumps – Mn grade %</td>
<td>26.42</td>
<td>25.96</td>
<td>26.42</td>
</tr>
<tr>
<td>Fines/SPP/UFP – tonnes dt</td>
<td>23,421</td>
<td>12,371</td>
<td>23,421</td>
</tr>
<tr>
<td>Fines/SPP/UFP – Mn grade %</td>
<td>34.27</td>
<td>35.34</td>
<td>34.27</td>
</tr>
<tr>
<td>Total Production – tonnes dt</td>
<td>99,559</td>
<td>107,835</td>
<td>99,559</td>
</tr>
<tr>
<td>Total Production – Mn grade %</td>
<td>28.27</td>
<td>27.04</td>
<td>28.27</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lumps – tonnes dt</td>
<td>54,711</td>
<td>91,757</td>
<td>54,711</td>
</tr>
<tr>
<td>Lumps – Mn grade %</td>
<td>26.16</td>
<td>26.11</td>
<td>26.16</td>
</tr>
<tr>
<td>Fines/SPP – tonnes dt</td>
<td>10,427</td>
<td>8,916</td>
<td>10,427</td>
</tr>
<tr>
<td>Fines/SPP – Mn grade %</td>
<td>35.29</td>
<td>35.04</td>
<td>35.29</td>
</tr>
<tr>
<td>Total Sales – tonnes dt</td>
<td>65,138</td>
<td>100,673</td>
<td>65,138</td>
</tr>
<tr>
<td>Total Sales – Mn grade %</td>
<td>27.62</td>
<td>26.90</td>
<td>27.62</td>
</tr>
</tbody>
</table>

**Mining**

During the quarter ended 31 March 2020, a total of 1.3 million bcm of material was mined including 36,101 tonnes of ore at 16.03 % Mn grade.

Mining activities focussed on developing the Masai 4 and Masai 2B cutbacks. Clear and grub activities commenced in the Masai 3 pit to provide an alternate mining area in order to increase production feed from a 3‐excavator program in the short term.

During the quarter mining activities were impacted by a number of significant NT wet season rainfall events which flooded the Masai 4 pit resulting in lower than forecasted ore extraction and availability of ROM feed to the process plants.

The total material mined in the current quarter was significantly higher than in the previous quarter ended 31 December 2019 due to the mining restrictions imposed by the DPIR in the previous quarter. Similarly, the ore mined from pits supplemented the low‐grade mineralised waste being sourced to maintain process feed stock.
Waste material from both Masai 4 and Masai 2 was utilised as backfill into the completely mined out Yaka 4 and Masai 1 pits. The Masai 1 backfill continued to develop support as planned for the Masai sacred site buttress, to complete a fully backfilled pit in this area.

All mining being undertaken is done in conjunction with the use of remote total station (RTS) prism monitoring and slope stability radar (SSR). A telepathy system has been installed that (via microwave to the Bootu Creek Mining administration office) allows real time monitoring of potential wall or domain movement to trigger the appropriate action response.

In addition, rehabilitation and sediment control works continued to be undertaken as surplus dozer time presented during the wet season.

For the next quarter, mining and production activities will be focussed on advancing the Masai pits on the Western limb.

Geotechnical review and design works are currently underway on the Chugga Far North and the Shekuma 8 pits, which will be submitted to the DPIR for approval to commence mining in these pits.

**Processing**

The Mine achieved ore production of 99,559 tonnes for the quarter ended 31 March 2020 at an average grade of 28.27% Mn.

A total of 472,842 tonnes of ore was crushed for the quarter ended 31 March 2020 including 436,788 tonnes of mineralised ore. The 500,120 tonnes of scrubbed material had a yield of 19.9%. The low yield was attributed to feeding majority of the stockpiled mineralised ore, limited higher grade ore directly from the pits and limited contribution of product from the Ultra Fines Plant (UFP). The lump product grade strategy continued to target 26% Mn in line with processing the lower yielding mineralised ores, which resulted in the reduction of the final product grade for the quarter ended 31 March 2020.

The wet season rainfall and water harvesting during the quarter has significantly improved the water supply to the processing plants. The UFP was commissioned at the end of March 2020, and produced 95 tonnes of product grading at 32.15% Mn for the quarter ended 31 March 2020. UFP production will improve with the processing of higher grade ROM through the main processing plant as well as supplementing the feed to the UFP with the addition of the Shekuma Tails Storage Facility (TSF) material.

**Logistics**

During the quarter ended 31 March 2020, a total of 65,138 tonnes of manganese product was exported through the Port of Darwin in two vessels. Comparatively, in the corresponding quarter in 2019, a total of 188,207 tonnes of manganese product was exported through the Port of Darwin in six vessels, and 3,133 tonnes sold domestically.

**Unit operating costs**

The C1 unit cash operating cost for the quarter ended 31 March 2020 was A$7.99/dmtu (US$5.27/dmtu) as compared to A$6.24/dmtu (US$4.27/dmtu) for the quarter ended 31 December 2019. The increase in the C1 unit cash operating cost in the current quarter was mainly due to an increase in mining costs following the resumption of normal mining activities in late December 2019 and the lower production as a result of the reduced ROM availability (as highlighted under the Mining section above).
Business Continuity

OMM’s COVID-19 Management Plan was submitted and approved by the Northern Territory Government with the aim for operations to continue in a safe and sustainable manner, allowing interstate travel to and from the mine site. OMM also has the flexible option to utilise its Northern Territory based employees, which comprise 70% of its workforce to minimize the impact on OMM’s production capacity.

MARKETING AND TRADING UPDATE

During the quarter ended 31 March 2020, a total of 449,600 tonnes of ores and alloys was transacted, representing approximately a 9.5% quarter-on-quarter increase compared to the quarter ended 31 December 2019. This increase was mainly from additional smelter raw materials traded in the current quarter.

According to Worldsteel, world crude steel production during January and February 2020 was 294.0 million tonnes, representing an increase of 2.1% from the same corresponding period in 2019.

Fastmarkets MB (previously known as Metal Bulletin) reported that the price of 44% Mn ore closed at US$4.27/dmtu CIF China at the end of March 2020 after hitting its highest price for the quarter of US$4.70/dmtu at the end of February 2020. 44% Mn ore prices have continued to increase given South Africa’s limited export capacity amidst its COVID-19 lockdown, reaching US$6.52/dmtu on 24 April 2020.

Platts reported that prices of FeSi to Japan closed higher at US$1,050 per metric tonne at the end of March 2020, a marginal increase from US$1,038 per metric tonne at the end of December 2019.

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 March 2020, Tshipi paid to NMPL a dividend of ZAR 132.8 million (approximately US$8.5 million) for the 6 months ended 29 February 2020. The OMH Group is expected to receive its share of this dividend from NMPL in the second quarter of 2020.

In response to the spread of the pandemic, Tshipi has announced a donation of ZAR 5 million to the Solidarity Fund set up by the President of South Africa to support the government’s efforts to combat COVID-19.

Tshipi Borwa Manganese Mine

Tshipi exports (100%) for the quarter ended 31 March 2020 totalled 676,917 tonnes (Q1 2019: 745,916 tonnes), representing a 9.25% decrease from the corresponding quarter in 2019. Tshipi exports (100%) for the previous quarter ended 31 December 2019 were 901,602 tonnes.
Mining operations at the Tshipi Borwa Manganese Mine were suspended since the implementation of a three-week lockdown by the South African Government on 26 March 2020 to contain the spread of COVID-19 in South Africa. The Tshipi Borwa Manganese Mine was subsequently put under care and maintenance since the three-week lockdown started. However, on 14 April 2020, Tshipi was granted approval by the South Africa’s Department of Mineral Resources to partially restart its operations. On 23 April 2020, the South African Government announced its plans to ease the lockdown gradually, which is likely to relieve some pressure on the mining sector.

2. Final Dividend

As previously announced on 28 February 2020, the Board declared a final dividend of A$0.01 per ordinary share for FY2019, in addition to the interim dividend of A$0.01 per ordinary share paid in November 2019. However, due to the current circumstances arising from COVID-19, and to ensure that the Company has access to ready working capital to continue its operations with minimal disruptions, the Company has decided to pay A$0.005 of the A$0.01 final dividend per ordinary share on 29 May 2020.

The Company considers it prudent to defer the remaining A$0.005 per ordinary share which will be subject to review by the Board in August 2020. The record date for the payment of the A$0.005 per ordinary share will remain as 8 May 2020.

3. 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 (“JV”).

During the quarter ended 31 March 2020, the JV parties (i.e. OMM and Bryah) continued the next exploration phase with an instalment of A$0.5 million paid to Bryah during the current quarter.

Exploration Activities

Manganese exploration activities under the JV during the quarter ended 31 March 2020 have consisted of a Proof of Concept trial for pattern recognition using Google Artificial Intelligence/Machine Learning (“AI/ML”) with the aim of accurately mapping outcropping manganese signatures within the area. This trial was recently completed with additional areas indicative of manganese being identified, which will be investigated by ground reconnaissance in the next quarter ending 30 June 2020.

Bryah has also been engaged with the Department of Mines, Industry Regulation and Safety in obtaining the necessary work approvals for the next phase of exploration drilling. The following activities have been approved in the exploration budget and are expected to be carried out by Bryah in the quarter ending 30 June 2020:

1. Follow-up drilling at the Horseshoe South mine, Brumby Creek and Black Hill prospects;
2. First pass drilling at the Mount Labouchere prospect;
3. Follow-up ground truthing and mapping of areas identified by the AI/ML trial; and
CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter ended 31 March 2020. As at 31 March 2020, 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

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

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