



Bryah Retains 70% Share in Manganese JV

Highlights:

- In November 2020 Bryah received \$5.0 million conditional cash offer for its interest in the Bryah Basin Manganese Joint Venture
- Bryah to retain its 70% Manganese JV interest as outstanding conditions have not been satisfied and offer has been withdrawn
- OM (Manganese) Limited (wholly owned subsidiary of ASX:OMH) fully funding project expenditure to increase its Joint Venture interest
- Outlook for Manganese remains very positive in the growing steelmaking and energy storage sectors
- Global Manganese Ore demand forecast to grow at 3.5% CAGR to 2025
- Results pending from recent diamond core drilling program

Bryah Resources Limited (“Bryah” or “the Company”)(“ASX:BYH”) hereby provides an update to its 8th January 2021 announcement on the conditional cash offer received for its interest in the Bryah Basin Manganese Joint Venture (“Manganese JV”) (See Figure 1).

The offer was a joint offer from Primero Group Limited (ASX:PGX) and natural resources specialist investor, AMCI Group (“Offerors”).

The outstanding conditions of the offer on 8th January 2021 were:

1. Foreign Investment Review Board approval;
2. satisfactory alignment between the Offerors’ and OM (Manganese) Ltd (OMM) on future objectives, and
3. the Offerors being satisfied with the results of their due diligence investigations.

Following dialogue between the Offerors and Bryah it has become apparent that some of the outstanding conditions have not been met to date and will not be achieved within the completion deadline of 7 April 2021.

Whilst Bryah was a willing party to the transaction, in light of recent exploration success, the Company is happy to retain its current 70% Manganese JV interest, particularly with the very positive market sentiment for manganese projects presently held by other ASX-listed companies.

Accordingly the sale of Bryah’s interest in the Manganese JV to the Offerors will not proceed, and the conditional offer has been withdrawn.

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Shares on issue: 153,540,508

Latest Share Price: \$0.064

Market Capitalisation: \$9.8M

Projects

Bryah Basin – Copper, Gold,
Manganese

Gabanintha – Gold, Copper

bryah.com.au

Notwithstanding this, the Company retains its right to transfer its JV interest to a third party at any price not being less than \$5.0 million, at any time up to 7 April 2021.

The outlook for Manganese remains very positive particularly in the growing energy storage sector where Manganese is seen as a low-cost solution in the manufacture of batteries for the growing Electric Vehicle and other sectors.

Global Manganese Ore demand is forecast to have a 3.5% compound annual growth rate (CAGR) for the period to 2025.¹ Manganese is a vital element in the manufacture of steel and Australia remains a major supplier of Manganese products to the world.

Exploration activity under the Manganese JV has been progressing as normal during the sale process with Bryah managing a recently completed diamond core drilling program ahead of the completion of manganese mineral resource estimates on the Horseshoe South, Brumby Creek and Black Hill Prospects. An update on the diamond core drilling results is pending.

To date OMM has funded a total of A\$2.35 million towards the Manganese JV to earn a 30% JV interest. A further A\$0.65 million is anticipated to be funded by OMM in Q2 and Q3 2021 to increase OMM's total JV interest to 51%.² Full details of the agreement between Bryah and OMM are set out in Appendix 1.

The Manganese JV includes the historic Horseshoe South Manganese Mine which lies on a granted mining lease. This mining lease could be re-activated for mining operations within a relatively short timeframe.

The board of directors of Bryah Resources Limited has authorised this announcement to be given to the ASX.

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¹ Fastmarkets Research – February 2021

² See OMH December 2020 Quarterly Report dated 28 January 2021.

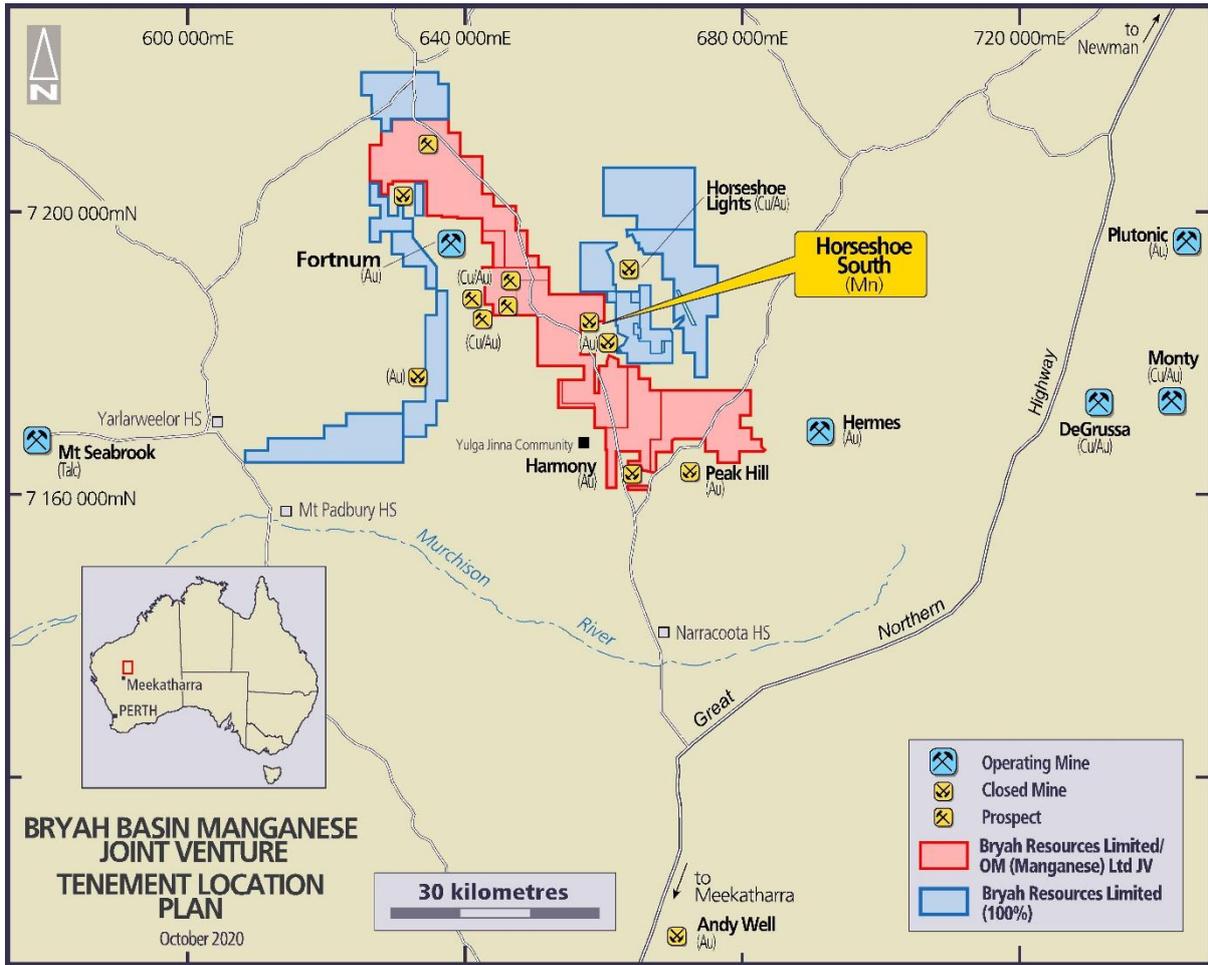


Figure 1 - Bryah Basin Manganese Joint Venture - Tenement Location Plan

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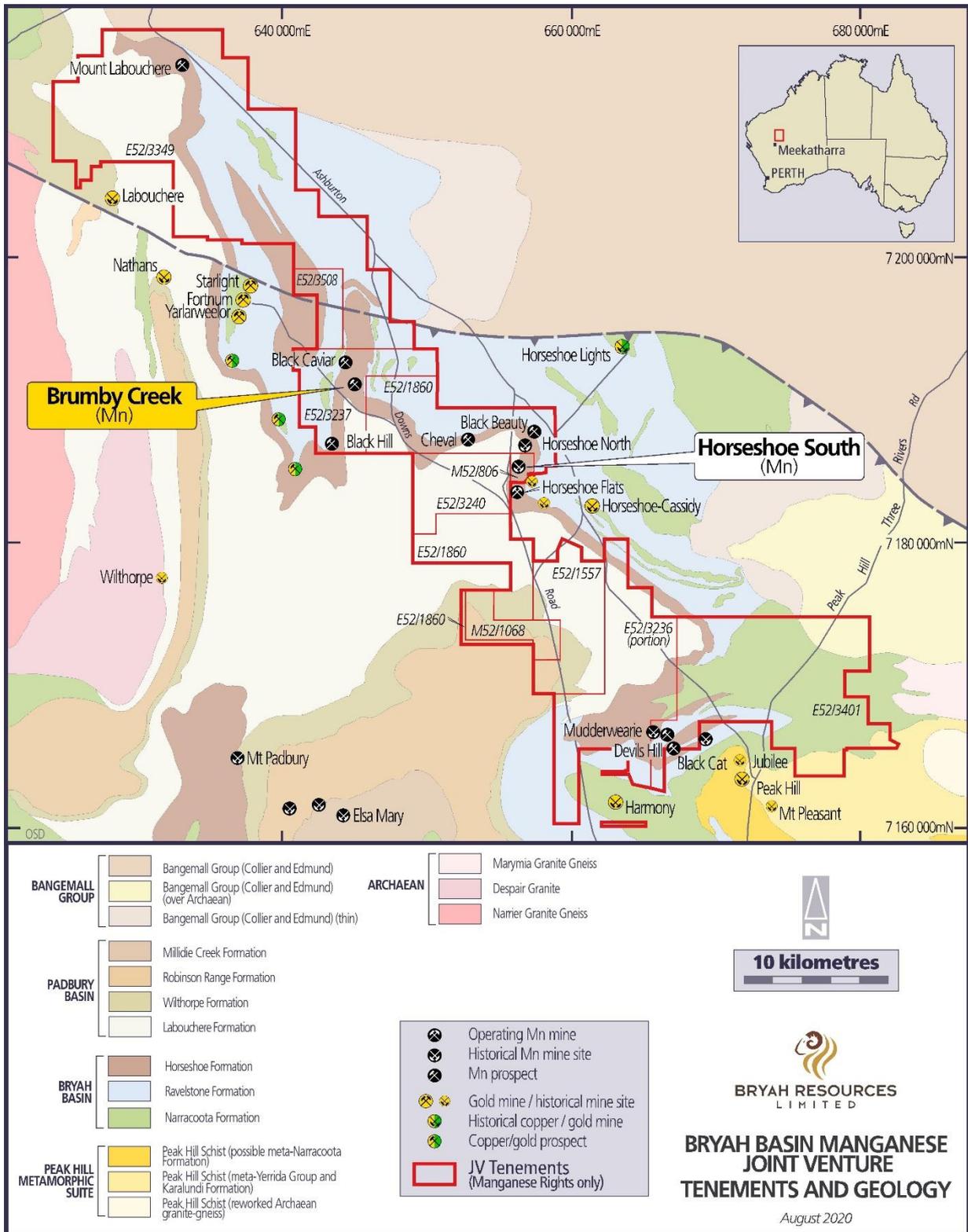


Figure 2 - Tenement and Geology Plan

About Bryah Resources Limited

Bryah Resources Limited is a copper-gold-manganese focused explorer with 2 projects located in central Western Australia, being the 1,185km² Bryah Basin Project and the 170km² Gabanintha Project. The Bryah Basin is host to the high-grade copper-gold mines at DeGrussa, discovered by Sandfire Resources Limited in 2009, and at Horseshoe Lights, which was mined until 1994. The Bryah Basin also has several historical and current manganese mines including the Company's recently acquired Horseshoe South mine. The Company has secured a joint venture agreement with OM (Manganese) Limited in respect to its manganese rights only in respect to approximately 660 km² of its Bryah Basin tenement holdings.

*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. Bryah has announced a maiden Inferred Mineral Resource at the Tumblegum South Prospect at Gabanintha of **600,000 tonnes @ 2.2 g/t Au for 42,500 oz Au³**.*

Competent Persons Statement – Exploration Results

Where the Company refers to Exploration Results in this announcement (referencing previous releases made to the ASX), the Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.

Competent Persons Statement – Mineral Resource Estimation

The information in this announcement that relates to Mineral Resources (see BYH ASX announcement dated 29 January 2020) is based on and fairly represents information compiled by Mr Ashley Jones, Consultant with Kamili Geology Pty Ltd. Mr Jones is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.

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.

³ See BYH ASX Announcement dated 29 January 2020 for full details.

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

- The Farm-In and Joint Venture Agreement (Agreement) between Bryah and OMM included a Signing Fee of \$0.25 million, which was paid to Bryah on 18 April 2019.
- Bryah is 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 funded \$0.5 million on project expenditure by 31 July 2019.
- OMM elected to proceed to Stage 2 and paid an Exercise Fee of \$0.25 million to Bryah to earn an initial 10% JV interest on 30 August 2019.
- In Stage 2, OMM has the right to 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. As of February 2021, OMM has earned a 30% 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.
- 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 (being transferred to Bryah Resources Limited), 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 (Manganese Mineral Rights only).