

OM HOLDINGS LIMITED

(ARBN 081 028 337)

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

Incorporated in Bermuda



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28 April 2023

ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

MARCH 2023 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 March 2023 was 29,707 tonnes of ferrosilicon (“FeSi”), 52,151 tonnes of manganese alloys (included silicomanganese (“SiMn”), high carbon ferromanganese (“HCFeMn”) and low carbon silicomanganese (“LCSiMn”)) and 30,112 tonnes of manganese sinter ore
- A total of 28,281 tonnes of FeSi and 45,026 tonnes of manganese alloys were sold during the quarter ended 31 March 2023
- Major maintenance works were completed on 2 manganese alloy furnaces with hot commissioning and performance testing occurring in January 2023 and March 2023 respectively
- In April 2023, production was temporarily suspended on the first silicon metal furnace due to it not operating as anticipated within the framework of the Engineering, Procurement and Construction contract. A review program to determine required rectification is underway
- Loan repayment of US\$7.3 million was made to project finance lenders during the quarter ended 31 March 2023

MARKETING, TRADING AND MARKET UPDATE

- 425,381 tonnes of ores and alloys were transacted in the period from 1 January 2023 to 31 March 2023 as compared to 326,025 tonnes from 1 September 2022 to 31 December 2022, which represented a quarter-on-quarter increase of 30.5%. The increase was mainly due to higher volumes of allocated manganese ore (“Mn ore”) sales during the period

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OPERATING PERFORMANCE (CONT'D)

- World crude steel production during January and February 2023 was 306.3 million tonnes, which represented a modest 1.2% increase as compared to the same period in 2022
- Price of 44% Mn ore closed at US\$5.30/dmtu CIF China at the end of March 2023, an increase of 3.3% from US\$5.13/dmtu CIF China at the end of December 2022
- FeSi price decreased while SiMn prices remained stable during the current quarter. FeSi price closed at US\$1,550 per metric tonne CIF Japan at the end of March 2023, a decrease from US\$1,630 per metric tonne CIF Japan at the end December 2022 while SiMn price closed at US\$1,010 per metric tonne CIF Japan for the quarter ended 31 March 2023 compared to US\$1,030 per metric tonne CIF Japan at the end of preceding quarter

CORPORATE

- As at 14 April 2023, a total of 104,543,486 shares were listed on Bursa Malaysia and 634,079,851 shares were listed on the Australian Securities Exchange
- The 2023 Annual General Meeting has been convened to be held on Thursday 18 May 2023 at 10am (Malaysia time) at Achieve, Level M3, VE Hotel & Residence, Bangsar South City, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia



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 March 2023, 11 out of 16 furnaces were in operation with 5 furnaces producing FeSi and 6 furnaces producing manganese alloys. Of the remaining 5 furnaces, 3 furnaces were shut down for scheduled major maintenance while 2 silicon metal furnaces were undergoing comprehensive examination to rectify issues which arose during the hot commissioning phase.

	Mar 2023 Quarter	Dec 2022 Quarter	YTD 2023
Tonnes			
Production			
Ferrosilicon	29,707	34,332	29,707
Manganese Alloys	52,151	41,495	52,151
Manganese Sinter Ore	30,112	31,459	30,112
Sales			
Ferrosilicon	28,281	41,542	28,281
Manganese Alloys	45,026	52,752	45,026

For the quarter ended 31 March 2023, production volumes for FeSi decreased by 13.5% as compared to the previous quarter as 1 FeSi furnace was shut down for major maintenance since November 2022 while the other FeSi furnace underwent annual maintenance in March 2023.

Production volumes for manganese alloys increased by 25.7% as 2 manganese alloy furnaces commenced operations in January and March 2023 respectively after completion of major maintenance works. The production volume of manganese sinter ore varies according to the production mix of manganese alloys and is solely produced for internal consumption.

For the quarter ended 31 March 2023, sales volumes for FeSi and manganese alloys decreased by 31.9% and 14.6% respectively as compared to the previous quarter ended 31 December 2022. Sales for FeSi decreased due to shipments in March 2023 that were delayed and carried over into Q2 2023.

As of 31 March 2023, major maintenance was completed on 2 manganese alloys furnaces with the commencement of hot commissioning and performance testing. The remaining 8 furnaces, consisting of 2 manganese alloy furnaces and 6 FeSi furnaces, are scheduled for major maintenance throughout 2023 and will be shut down in stages to minimise disruptions to ongoing operations at the Plant. These planned shutdowns are not expected to significantly impact production guidance for FY 2023.



In March 2023, production from the first silicon metal furnace was temporarily suspended due to the furnace not operating as anticipated within the framework of the Engineering, Procurement and Construction contract. A comprehensive examination is currently being conducted to identify and rectify the issues which arose during the commissioning phase. OM Sarawak aims to complete these rectifications and successfully re-commission the furnaces within the next 12 months.

Loan repayment of US\$7.3 million was made to project finance lenders during the quarter ended 31 March 2023.

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

Production at the 100% owned Bootu Creek Manganese mine (the “Mine”) ceased as planned in December 2021.

Processing

The Mine was placed under care and maintenance mode in January 2022.

The Ultra Fines Plant (“UFP”) rectification plan was finalised during Q1 2023, and the financial model reviewed indicating that the project remains economically viable. Capital expenditure of approximately A\$6.5M will be required to replace the screens and upgrade both the water supply and tailings pump capacities. The potential to increase the plant throughput rate beyond 300 tonnes per hour is currently being studied to further enhance the project economics.

The rectification works timeline is expected to be reduced to approximately 9 months as a new screen supplier has indicated its ability to supply the screens within a shorter lead time of 10-12 weeks.

Environmental Programs

For the quarter ended 31 March 2023, the primary focus was to maintain and repair the damage caused by the higher than expected rainfall experienced on the Mine site from December 2022 to March 2023. A comprehensive landform damage report was submitted to the Department of Industry, Tourism and Trade as a result of this event.

All access roads have been repaired and reinstated allowing access to all areas across the Mine site. The Mine rehabilitation programs will continue to focus on the repair of damaged landforms (washouts and other water damage) as follows:

- Repairs to the Western Limb have commenced;
- Repairs to the Eastern Limb landforms will be repaired once the Western Limb has been completed;
- Washouts will be dug out and rock lined allowing water flow without causing further damage to landforms;
- Fire breaks have been re-established to protect assets against potential fire damage;
- Rehabilitation of all 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 Tourag Waste Rock Dump will continue in Q2 2023.

MARKETING AND TRADING UPDATE

During the quarter ended 31 March 2023, a total of 425,381 tonnes of ores and alloys were transacted, which represented a 30.5% quarter-on-quarter increase compared to the previous quarter ended 31 December 2022. The increase was mainly due to higher volumes of allocated Mn ore sales during the quarter ended 31 March 2023.



According to the International Manganese Institute (“IMnI”), world crude steel production during January and February 2023 was 306.3 million tonnes, which represented a marginal increase of 1.2% as compared to the same corresponding period in 2022.

Fastmarkets MB reported that the price of 44% Mn ore closed at US\$5.30/dmtu CIF China at the end of March 2023, an increase of 3.3% from US\$5.13/dmtu CIF China at the end of December 2022. The price increase during the quarter was due to stronger demand from downstream smelters.

During the quarter ended 31 March 2023, FeSi price decreased from US\$1,630 to US\$1,550 per tonne CIF Japan, and SiMn price decreased from US\$1,030 to US\$1,010 per tonne CIF Japan. The lower price was caused by higher supply of materials into the steel market.

Freight rates continued to decline in the current quarter as compared to the preceding quarter, with Fastmarkets MB reporting an implied freight of US\$0.76/dmtu from South Africa to China for 37% manganese ore, as compared to US\$0.79/dmtu at the end of December 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.

In February 2023, Tshipi declared and paid a dividend of ZAR 750 million (approximately US\$40.7 million) for the 6 months ended 28 February 2023 to its two shareholders. The OMH Group received its share of the dividend of ZAR 94.1 million (approximately US\$5.1 million) net of withholding tax from NMPL in March 2023.

Tshipi Borwa Manganese Mine

Tshipi exports (100%) for the quarter ended 31 March 2023 totaled 915,154 tonnes, which represented an increase of 9.0% from the previous quarter ended 31 December 2022.

2. Update on Bryah Farm-In and Joint Venture Agreement (OMM has earned a 51% interest)

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).

OMM has earned a 51% interest in the Bryah Basin Manganese Joint Venture (“BBMJV”).

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.

The December 2022 RC 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 is still outstanding and are expected early Q2 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.

The sonic drill program of the Horseshoe South DMS Rejects stockpile has been postponed owing to the current drill rig availability.

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 (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.

The A\$0.25 million "Due Diligence" phase of the 701 Mile JV Agreement was completed in Q3 2022. 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 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 as outlined by the June 2022 RC drill program. A Program of Works (PoW-113958) was approved in December 2022 and a combined Ethnographic and Archaeological Heritage survey covering the area of the proposed Stage 1 RC drill program was completed March 2023. No significant sites were identified during the preliminary assessment of the Heritage surveys, with final reports due in late Q2 2023.

4. Weelaranna Project Area (OMM 100%)

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.

A Programme of Works (PoW-113942) for a proposed initial RC drill program, on a Prospect referred to as Blue Hill, was approved in November 2022. A combined Ethnographic and Archaeological Heritage survey of the area covering the proposed initial RC drill program, and the associated 4 km access track, was completed in March 2023. No significant sites were identified during the preliminary assessment of the Heritage surveys. The final reports are due in late Q2 2023.

CAPITAL STRUCTURE

There was no movement in the share capital structure of the Company during the quarter ended 31 March 2023. As at 31 March 2023, the Company had 738,623,337 ordinary shares on issue.

As at 14 April 2023, a total of 104,543,486 shares were listed on Bursa Malaysia and 634,079,851 shares were 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.