

# 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

## MARCH 2024 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 2024 was 49,561 tonnes of ferrosilicon (“FeSi”), 75,056 tonnes of manganese alloys (including silicomanganese (“SiMn”) and high carbon ferromanganese (“HCFeMn”)) and 40,975 tonnes of manganese sinter ore
- A total of 46,216 tonnes of FeSi and 68,619 tonnes of manganese alloys were sold during the quarter ended 31 March 2024
- As at 31 March 2024, 8 furnaces (including 2 silicon metal furnaces) were in operation to produce FeSi and 8 Mn Alloys furnaces were in operation to produce Mn Alloys
- Following the temporary shutdown in late November 2023, rectification works were completed on 1 Mn Alloy furnace and hot commissioning and performance testing were conducted in late March 2024.
- Replacement works of fabricated equipment for one silicon metal furnace were completed in Q1 2024 and it is targeted to commence hot commissioning and performance testing to produce silicon metal mid-2024. Commissioning and ramp-up profile decisions were made based on market and pricing assessments to ensure optimal returns. Meanwhile, both silicon metal furnaces will continue to produce FeSi
- Loan repayment of US\$12.3 million was made to project finance lenders during the quarter ended 31 March 2024

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## **OPERATING PERFORMANCE (CONT'D)**

### **MARKETING, TRADING AND MARKET UPDATE**

- 471,194 tonnes of ores and alloys were transacted in the period from 1 January 2024 to 31 March 2024 as compared to 387,271 tonnes from 1 October 2023 to 31 December 2023, which represented a quarter-on-quarter increase of 21.7%. The increase was mainly due to higher volumes of manganese ores (“Mn ore”) traded during the period
- World crude steel production during January and February 2024 was 314.2 million tonnes, which represented a 4.2% increase as compared to the same period in 2023
- Price of 44% Mn ore closed at US\$4.32/dmtu CIF China at the end of March 2024, an increase of 3.6% from US\$4.17/dmtu CIF China at the end of December 2023. Since then, Mn ore prices have surged and reached US\$5.94/dmtu as of April 26<sup>th</sup> due to the halt in export operations of a key global manganese ore supplier caused by a tropical cyclone. This development is set to further strain ore supply and cascade to manganese alloy prices
- FeSi price decreased from US\$1,285 to close at US\$1,210 per tonne CIF Japan and SiMn price increased from US\$900 to close at US\$920 per tonne CIF Japan at the end of March 2024 compared to the end of December 2023

### **CORPORATE**

- As at 15 April 2024, a total of 101,886,036 shares were listed on Bursa Malaysia and 664,370,765 shares were listed on the Australian Securities Exchange
- The 2024 Annual General Meeting has been convened to be held on Thursday, 16 May 2024 at 10.00am at Hotel Indigo Singapore Katong, 86 East Coast, Katong Square, Singapore



## **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 annual 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. 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 2024, 16 out of 16 furnaces were in operation with 8 furnaces (consisting of 6 Fesi furnaces and 2 silicon metal furnaces) producing FeSi and 8 furnaces producing manganese alloys.

	<b>March 2024 Quarter</b>	<b>Dec 2023 Quarter</b>	<b>YTD 2024</b>
Tonnes			
<b>Production</b>			
Ferrosilicon	<b>49,561</b>	<b>40,635</b>	<b>49,561</b>
Manganese Alloys	<b>75,056</b>	<b>84,571</b>	<b>75,056</b>
Manganese Sinter Ore	<b>40,975</b>	<b>43,099</b>	<b>40,975</b>
<b>Sales*</b>			
Ferrosilicon	<b>46,216</b>	<b>43,346</b>	<b>46,216</b>
Manganese Alloys	<b>68,619</b>	<b>113,585</b>	<b>68,619</b>
Manganese Sinter Ore	-	-	-

\*Sales volume includes intercompany sales to OMS

During the quarter ended 31 March 2024, all 6 FeSi furnaces and 2 silicon metal furnaces were in full production throughout the quarter, which resulted in FeSi production increasing by 22% or 8,926 tonnes quarter-on-quarter.

Production volumes for manganese alloys decreased by 11.3% or 9,515 tonnes compared to the previous quarter. This was mainly attributed to the higher production of HCFeMn in Q4 2023 as compared to Q1 2024, which has a higher daily production output compared to SiMn. The extension of hot commissioning for 1 manganese alloy furnace, as announced in Q4 2023, also impacted the overall manganese alloy production capacity during the reporting quarter.

For the quarter ended 31 March 2024, sales volume for FeSi increased by 6.6% or 2,870 tonnes and sales volume for manganese alloys decreased by 39.6% or 44,966 tonnes as compared to the previous quarter ended 31 December 2023. This decrease was caused by the clearing of inventory which resulted in a higher than usual sales figures in Q4 2023.

14 out of 16 furnaces have undergone and completed major maintenance to date, of which 13 furnaces have passed hot commissioning and performance testing. As at 31 March 2024, 1 manganese alloy furnace had completed rectification works and re-commenced hot commissioning and performance testing in late March 2024. This furnace has been offline following a temporary shutdown in late November 2023 and is expected to complete hot commissioning in June 2024. The remaining 2 FeSi furnaces are scheduled to commence major maintenance in 2025 as reported previously.



The replacement works for the silicon metal conversion project were completed in Q1 2024. The hot commissioning of 1 silicon metal furnace to produce silicon metal has been planned for Q3 2024. The decision to fully ramp up to commercial production and enter the market is strategic to ensure optimal returns. In the interim, both silicon metal furnaces are producing FeSi to maximize furnace utilization.

A loan repayment of US\$12.3 million was made to the project finance lenders during the quarter ended 31 March 2024.

## **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 remains under care and maintenance mode.

The review of the Ultra Fines Plant (“UFP”) rectification plan and the financial model was completed in early November 2023 and Board approval for the restart of the UFP was obtained in late November 2023. Orders for new stacked screens and the tails pumps for the UFP have been placed. All the other preparation work for the restart of the UFP has commenced and is progressing according to plan and budget. Production restart for the UFP is targeted to commence in Q4 2024.

### **Environmental Programs**

For the quarter ended 31 March 2024, the primary focus was the continued maintenance and repair of further damage caused by the higher-than-expected rainfall experienced on the Mine site in the quarter. Rainfall for the Q1 2024 totalled 1,209mm, over a fourfold increase compared to the long-term average for the Q1 period of 276mm.

The Mine Closure Plan (“Plan”) is in the process of being finalised for presentation to the Department of Industry, Tourism and Trade of Northern Territory (“DITT”). The Plan will be presented to the DITT in Q2 2024.

The Mine rehabilitation program continued to focus on the repair of damaged landforms (washouts and other water damage)

- Repairs to accessible landforms on the Shekuma, Central and Yaka WRD were completed.
- 75 ha of landforms were seeded in late February 2024 included:
  - Masai 1;
  - Masai 2;
  - Masai 3;
  - Masai water diversion;
  - Yaka (Repaired wash outs and damaged areas);
  - Central (Repaired wash outs and damaged areas); and
  - Shekuma (Repaired wash outs and damaged areas);
- 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 has not commenced due to the extreme rain experienced in Q1 2024 and will commence during the dry season instead.



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## **MARKETING AND TRADING UPDATE**

During the quarter ended 31 March 2024, a total of 471,194 tonnes of ores and alloys were transacted (which included intercompany sales), which represented a 21.7% quarter-on-quarter increase compared to the previous quarter ended 31 December 2023. The increase was mainly due to higher volumes of Mn ores traded during the quarter ended 31 March 2024.

According to the International Manganese Institute, world crude steel production during January and February 2024 was 314.2 million tonnes, which represented an increase of 4.2% as compared to the same corresponding period in 2023.

Fastmarkets MB reported that the price of Mn ore High Grade closed at US\$4.32/dmtu CIF China at the end of March 2024, an increase of 3.6% from US\$4.17/dmtu CIF China at the end of December 2023.

Since then, manganese ore prices have surged following the halt in export operations of a key global manganese ore supplier due to infrastructure damage caused by a tropical cyclone. With the resumption of exports anticipated to be delayed, this development is set to further strain ore supply and cascade to manganese alloy prices. The price of high-grade manganese ore reached US\$5.94/dmtu as of April 26<sup>th</sup>, as reported by Fastmarkets MB.

During the quarter ended 31 March 2024, FeSi price decreased from US\$1,285 to US\$1,210 per tonne CIF Japan due to excess supply of FeSi in China. SiMn price increased from US\$900 to US\$920 per tonne CIF Japan at the back of stronger Mn ore prices.

Freight rates increased in the current quarter as compared to the preceding quarter with Fastmarkets MB reporting an implied freight of US\$0.90/dmtu from South Africa to China for 37% manganese ore, as compared to US\$0.82/dmtu at the end of December 2023.

The Company is aware of the recent decision by the US Department of Commerce and the US International Trade Commission to initiate anti-dumping and countervailing duty investigations into ferrosilicon imported from Brazil, Kazakhstan, Malaysia and Russia. OMH is committed to fair trade practices and is actively working with its legal counsel to fully cooperate in the ongoing investigations. The Company understands that the petition alleged a dumping margin of 162.59%. That rate is not based on our specific price or cost experience, and the Company intends to demonstrate so to the relevant authorities. The investigation is expected to take approximately one year. Any further developments will be updated in due course.

### **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 for the quarter ended 31 March 2024 totalled 745,882 tonnes, which represented an increase of 19.4% from the previous quarter ended 31 December 2023. This upturn was mainly attributable to more volumes of ores being moved by both road and rail due to favourable market conditions.



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

As previously announced, OMM is a party to the 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 announced to ASX an updated Bryah Basin Manganese Mineral Resource Estimate<sup>(1)</sup> on behalf of the BBMJV on [24 August 2023](#). According to the announcement, the total Inferred and Indicated JORC 2012 compliant Mineral Resource Estimate is 3.07 million tonnes (Mt) at 20.2% Mn. The Indicated Mineral Resource tonnage is 2.07 Mt at 20.9% Mn and the Inferred Mineral Resource is 1.0 Mt at 18.6% Mn. The Mineral Resource estimate included prospects Area 74, Brumby Creek East, Brumby Creek West, Redrum and Black Hill deposits on E52/3237 and Horseshoe South and Horseshoe Extended on M52/806.

Assay results received from a 95 hole Reverse Circulation (RC) drill program (2,938 metres) conducted in August 2023 included drilling to infill and extend Brumby Creek West and Redrum deposits, and to test drill new prospects at Gold Trip, Black Hill Northeast and Epona. Assay results were announced to ASX on [16 November 2023](#).

Brumby Creek West results extended the deposit to the southwest and include 13m at 22.7% Mn from 15m (BBRC0241) and 6m at 24.4% Mn from 19m (BBRC0249).

Redrum results extend the deposit to the northeast and include 7m at 29.3% Mn from 21m (RRRC074) and 8m at 29.6% Mn from 14m (RRRC076). Mineral Resource updates for Brumby Creek West and Redrum are planned for Q2 2024.

Scattered intersections from exploration drilling include 3m at 34.8% Mn from 0m (BHRC035) at Black Hill North, 5m at 21.0% Mn from 15m (EPRC0015) and 3m at 21.5% Mn from 10m (EPRC028) at Epona, and 2m at 25.5% Mn from 3m (GTRC005) at Gold Trip.

*<sup>(1)</sup> The Competent Person Statement on the mineral resource estimate, exploration results and exploration targets for the BBMJV should be referenced to the respective announcements made by Bryah Resources Limited as hyperlinked.*

## CAPITAL STRUCTURE

There was no movement in the share capital structure of the Company during the quarter ended 31 March 2024. As at 31 March 2024, the Company had 766,256,801 ordinary shares on issue.

As at 15 April 2024, a total of 101,886,036 shares were listed on Bursa Malaysia and 664,370,765 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.*