

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 2

29 June 2020

ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**MEMORANDUM OF UNDERSTANDING SIGNED WITH ELEMENT 25
FOR THE SUPPLY OF MANGANESE ORE**

The Board of OM Holdings Limited (ASX:OMH) (“**OMH**” or the “**Company**”) is pleased to announce that a non-binding Memorandum of Understanding (“**MOU**”) has been executed between its wholly-owned subsidiary OM Materials (S) Pte. Ltd. (“**OMS**”) with Element 25 Limited (ASX:E25) (“**E25**”) for the future supply of manganese ore from E25’s 100% owned Butcherbird Manganese Project (the “**Project**”).

This represents the first formal milestone in the engagement between the companies, after E25 released its Pre-Feasibility Study on 19 May 2020. The MOU between OMH and E25 is expected to lead to a formal binding offtake agreement in the coming months. The final terms of the agreement are subject to further negotiations and will also be dependent on the outcome of continuing due diligence investigations on manganese ore from the Project. The MOU establishes a broad framework for ongoing negotiations capturing the following key parameters:

- An initial term of up to 5 years
- Binding offtake of between 50% and 100% of the future manganese ore produced from the Project
- Pricing mechanisms based on agreed published benchmark pricing indices
- Product specifications and delivery considerations
- Optimising the logistics solution for the Project

The MOU is effective for 9 months from the date of signing unless both parties formally agree to mutually terminate or extend the term.

The relationship with E25 is expected to complement the Company’s vertically integrated business model, and is envisaged to augment the Company’s raw material sources, increasing procurement flexibility at the Company’s smelters as well as creating opportunities for further distribution to external third parties.

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.



About OM Materials (S) Pte Ltd

OMS, based in Singapore, is the strategic trading hub of the Company that handles the logistics, procurement, marketing, and distribution activities of the Company. Core businesses of OMS include ore sales from OMH's wholly-owned Bootu Creek Mine, marketing of ferroalloys produced from the Company's Samalaju smelter plant, as well as distribution of third-party ores to the Company's global network of customers.

About Element 25 Limited

Element 25 is an ASX listed company (ASX:E25) focussed on the development of the world class 100% owned Butcherbird Manganese Project located in the southern Pilbara region of Western Australia.

More company information of Element 25 and the Butcherbird Manganese Project can be viewed at:

<http://www.element25.com.au>.

Further enquiries please contact:

Ms Jenny Voon

Tel: +65 6346 5515

Email: investor.relations@ommaterials.com