OM HOLDINGS LIMITED

(incorporated in Bermuda) A.R.B.N 081 028 337

ANNUAL REPORT 2020

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WHO WE ARE

OM Holdings Limited is an integrated manganese and silicon company. We are engaged in the business of mining and trading raw ores, as well as the smelting and marketing of processed ferroalloys. With an established history of over 20 years in the industry, we are listed on the ASX and capture value across the entire process chain through operations in Australia, China, Japan, Malaysia, Singapore, and South Africa. Our latest project is a greenfield smelter complex in Sarawak, which successfully commenced production in 2014.

Today, the Group is one of the world's leading suppliers of manganese ores and ferroalloys, and seeks to be the main ferroalloy supply partner to major steel mills and other industries. Through our global trading network, we distribute products from our Asia- pacific base to customers around the world.

OUR PURPOSE

Our purpose is to create sustainable value for our shareholders and stakeholders through developing and acquiring cost competitive resource assets, managing them in a safe and optimised manner, and realizing their full potential by marketing effectively.

OUR VALUES

We will fulfil our purpose by adhering to the following values:

• Safety and Wellbeing • Care and Respect • Integrity and Accountability • Innovation and Entrepreneurial

• Collaboration

Dear Shareholders,

In 2020 we began the year with modest earnings growth, which was quickly erased by the swiftly developing COVID-19 pandemic. We ended 2020 with a net profit after tax attributable to owners of the company of A$5.4 million. Revenue for the year declined to A$784.6 million, a 24% decrease attributed to a slump in prices despite a 5% increase in product volumes sold. Despite the pandemic and market conditions, the fundamental business of the company remains resilient, evidenced by the A$81.4 million underlying EBITDA, matched by net cash generated from operations of A$76.6 million. In line with our stated policy, we repaid approximately A$25.4 million of the Sarawak smelter project financing and brought our total borrowings to equity ratio to its lowest in seven years.

Mining at Bootu Creek resumed and ore production grew by 29% as we pursued our low grade strategy to maintain higher yields and increase realizable value. We produced a total of 738,019 tonnes of ore and sold 642,731 tonnes of ore in 2020. We also commissioned the Ultra Fines Plant (formerly the tailings retreatment plant) in the year, producing a limited trial production run due to low screen efficiencies. After testing different screening methods, engineering rectification is currently on-going, and we have every confidence of realizing value from the UFP in 2021.

While production and sales volumes from our Bootu Creek mine increased, this was offset by a decline in prices, and the Fastmarkets MB benchmark 44% Mn averaged US$4.65 per dmtu in 2020, falling 17% from 2019. The seaborne market also contracted around 10% in line with the general weakness in global markets, although major exporting countries such as South Africa, Australia, and notably Gabon maintained or even increased exports.

Turning to our smelting division, production volumes at our Sarawak smelting plant were impacted by the pandemic in 2020. With the initial supply chain disruption, we idled two ferrosilicon furnaces in February as a precautionary measure and placed them on routine maintenance. With manpower constraints and falling demand, we further idled two ferrosilicon furnaces later in the year as demand fell sharply, and we saw total crude steel production falling between 20% -40% year on year in Q2 2020 for key steel producing countries in East Asia and South East Asia. As a result, the total reduction in ferrosilicon production was 27%, at 167,443 tonnes produced in 2020. Falling prices further exacerbated the revenue and earnings impact from ferrosilicon smelting.

Manganese alloy smelting, on the other hand, was fully operational in 2020 and as a smelting sub-segment recorded a higher gross profit than ferrosilicon smelting per furnace deployed. This was attributed to flexibly switching production between different grades of manganese alloys tailored to key customers still in operation, and due to the general trend of rising silicomanganese consumption in regional steel making. This supports our thesis of converting more ferrosilicon furnaces to the production of manganese alloys, which we will undertake in 2021. Hot commissioning and performance testing of our sinter plant took longer than expected but is currently progressing and we expect to take it to stable commercial production within 2021.

In 2020 we also upgraded one furnace at OMQ to bolster our China operations and deepen synergies with the distribution of manganese ore in China, and the plant has since restarted in January 2021.

We remain confident of the long term growth fundamentals for steel making in the region, and since the Sarawak plant was first commissioned, we have seen an increase in 25 million tonnes of crude steel capacity come online, roughly a quarter of Japan's normal output. With increasing urbanization and growth in South East Asia, we expect long-term steel demand to be strong. According to the Worldsteel Association, there remains a significant per capita consumption gap between South East Asia and its East Asian developed neighbours. If this gap were to close, it would require steel production of three to four times that of Japan's normal annual output, and several ferroalloy plants the size of our Sarawak smelting plant.

We continue our focus to reduce our overall debt, notably in the project finance facility ringfenced to our Sarawak smelter. Notwithstanding the challenges of last year, the company managed to generate A$76.6 million in net cashflow from operations. As we shared with investors during our AGM last year, significant CAPEX was delayed, and sustaining CAPEX and exploration was limited to A$16.9 million, which includes our joint venture exploration with Bryah Resources. Of the remaining significant cash outflows, A$25.4 million was repaid to project finance lenders, while A$30.0 million of financing interest was also paid. Our assets remain fundamentally strong, and we have demonstrated our ability to generate positive free cash flows even at diminished production levels and through the worst of market conditions. As demand recovers with elevated levels of infrastructure investments post-COVID, we are confident that these assets will be able to generate meaningful value for shareholders, as they did in 2017 and 2018. Going forward, we remain committed to reducing net debt, and to resume distributing a sustainable dividend to shareholders once conditions recover.

In the near term, demand has recovered, and armed with solid production plans and meaningful profit margins, steel mills have collectively come back to the market to restock ferroalloys from December 2020. This coordinated demand drove ferrosilicon prices delivered to Japanese ports to US$1,365 per tonne according to Platts, a reporting agency, although part of the increase was also due in part to an on-going surge in global freight rates. This trend has continued into Q1 2021, and as at the end of February 2021, Platts reported ferrosilicon prices to be US$1,500 per tonne and silicomanganese prices at US$1,070 per tonne, delivered to Japanese ports. Given the current price environment, we have some cause to be optimistic.

In 2021, we remain focused and committed to ensuring our people remain safe and healthy. We will be running both the Ultra Fines Plant at Bootu Creek and sinter plant at our Sarawak smelter to a steady state level of production, and we have already brought online both furnaces at our Qinzhou smelter. We will convert two ferrosilicon furnaces at OM Sarawak to produce manganese alloys and bring all our furnaces back into full production as soon as is feasible. On our upstream ore strategy, we expect to deliver results in our joint venture with Bryah Resources that will allow us to consider a decision on mining, and we also expect to start receiving the first shipment of ore from Element 25, with whom we signed an offtake agreement in 2020. As we near the end of life of mine of the Bootu Creek mine, we will also accelerate mining and production in order to minimize unit costs, before transiting to the rehabilitation phase proper and leaving only the Ultra Fines Plant in operation.

On the corporate front, we continue to pursue a secondary listing of our shares on Bursa Malaysia, the main bourse in the country and one of the largest exchanges in South East Asia. Domestic interest remains strong, and we are confident this will broaden our shareholder base and improve trading liquidity. Having recently received conditional approval for the secondary listing from the Securities Commission Malaysia, the nation's capital markets regulator, we look forward to engaging with current and prospective shareholders and will work on building investor awareness.

2020 has been a challenging year, and I would like to thank my fellow directors, our management team, staff and workers for what we have achieved. In particular, appreciation goes to our staff and workers at our operation sites who have endured and performed their duties through the severe pandemic restrictions and tough operating conditions. Their sacrifices make what we do possible.

LOW NGEE TONG
Executive Chairman

DIRECTORS

Low Ngee Tong
Executive Chairman and Chief Executive Chairman

Mr Low is a qualified Mechanical Engineer, having graduated from the National University of Singapore. He has approximately 40 years of experience in the steel, ferro alloy and building materials industries in Asia. That experience was gained with Chiyoda Limited, a global Japanese civil engineering group, Intraco Limited, Intraco Resources Pte Limited, and C Itoh Limited, a significant Japanese metals trading house. Mr Low has demonstrated a significant network for marketing in China and internationally. He was the Chief Executive Officer of OMH since its incorporation and subsequent listing in 1998. In October 2008, Mr Low became the Executive Chairman of OMH. Mr Low's business relationships and reputation with several large multinational corporations in Asia have enabled OMH to successfully establish its profitable operations based in Singapore and extending to China, Malaysia, South Africa and Australia.

Zainul Abidin Rasheed
Independent Deputy Chairman

Mr Zainul Abidin graduated with a Bachelor of Arts (Honours) in Economics and Malay Studies from the University of Singapore. Mr Zainul was, until 2011, a Member of Parliament (from 1997) and served as the Senior Minister of the State for the Ministry of Foreign Affairs of the Government of Singapore, a position he held since 2006. Prior to serving in government service, Mr Zainul had an outstanding career in journalism which included the positions of Editor of Berita Harian, The Singapore Business, The Sunday Times and Associate Editor of The Straits Times.

Mr Zainul currently serves as the Ambassador to Kuwait (Non-Resident) and the Foreign Minister's Special Envoy to the Middle East. Mr Zainul is also currently a Corporate Adviser to Singapore's Temasek International Pte Ltd, and is a member of the Nanyang Technological University Board of Trustees and Board of Directors of Mediacorp.

Mr Zainul served numerous government agencies, councils and civic organizations including Executive Secretary of the Singapore Port Workers' Union, a member of the Board of Directors of the Port of Singapore Authority, President of the Singapore Islamic Religious Council, Chairman of the Malay Heritage Foundation, Chief Executive Officer of the Council for the Development of the Malay/Muslim Community (MENDAKI), the Council for Security Co-operation in the Asia Pacific, the National University of Singapore Council as well as being the Patron of the Singapore Rugby Union and Adviser to the Hockey Federation.

Mr Zainul Abidin is a member of the Company's Audit and Remuneration Committees.

Julie Anne Wolseley
Non-Executive Director & Joint Company Secretary

Ms Wolseley holds a Bachelor of Commerce degree and is a Chartered Accountant. She is the Principal of a corporate advisory company and has over 29 years of experience as Company Secretary to a number of ASX-listed companies operating primarily in the resources sector. Previously Ms Wolseley was an Audit Manager both in Australia and overseas for an international accounting firm. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, IPOs, capital raisings, cash flow modelling and corporate governance. Ms Wolseley is also a board member of Aquinas College, an independent school for boys in Perth, Western Australia. Ms Wolseley is a member of the Company's Audit and Remuneration Committees.

Tan Peng Chin

Independent Non-Executive Director

Mr Tan Peng Chin was the founder, managing director and consultant of Tan Peng Chin LLC until he retired from the firm on 31 December 2015. Mr Tan was also a Notary Public and Commissioner for Oaths from 1995 to 2015. He is presently an Accredited Mediator with the Singapore Mediation Center. Mr Tan's legal expertise includes corporate finance, banking, company and commercial laws, international trade, joint ventures and issues concerning shareholders and directors. In addition, Mr Tan has acted in numerous cross border transactions in the course of his legal career spanning more than 36 years. Mr Tan has served as an Independent Director in numerous Singapore-listed companies since 1996.

He was also a member of the Institutional Review Board of the Singapore National Cancer Center from 2007 to 2014. Mr Tan was instrumental in setting up and is currently the Vice Chairman of Clarity Singapore Limited, a charity under the auspices of Caritas (the Catholic Church) to assist persons suffering from mental illnesses. Mr Tan has also volunteered with various charities including Christian Outreach for the Handicapped and the Roman Catholic Prison Ministry.

With his board experience in various companies in Asia and his legal expertise, Mr Tan is able to assist the Company in its strategic pursuits. He has been a Non-Executive Director since 14 September 2007. Mr Tan is the Chairman of the Remuneration Committee.

Thomas Teo Liang Huat

Independent Non-Executive Director

Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy degree from the National University of Singapore. He is also a fellow member of the Institute of Singapore Chartered Accountants. Mr Teo is the Executive Director and Chief Financial Officer of G.K. Goh Holdings Limited, a diversified Singapore-listed investment group. Mr Teo's executive responsibilities include financial and investment management as well as board representation on various subsidiaries and associates. Mr Teo joined the Board on 17 July 2008. Mr Teo is the Chairman of the Audit Committee and a member of the Remuneration Committee.

Peter C Church OAM FAICD

Independent Non-Executive Director

Mr Church is an Australian commercial lawyer who resides in Australia and Singapore. Mr Church has had a career spanning more than 41 years encompassing significant experience throughout South East Asia and India, including providing legal and corporate services on numerous regional projects. Mr Church was a senior partner with the leading Australian and regional law firm now known as Herbert Smith Freehills, and was its Asian Regional Managing Partner at the time he retired from the firm.

Mr Church holds a Bachelor of Commerce (from the University of New South Wales) a Bachelor of Laws (from the University of Sydney), a Master of Laws (from the University of London) and a Doctorate of Humane Letters (from Sri Sharada Institute of Indian Management in New Delhi). Mr Church is also a Fellow of the Australian Institute of Company Directors.

In 1994, Mr Church was awarded the Medal of the Order of Australia (OAM) by the Australian Government for his promotion of business between Australia and South East Asia. Presently, Mr Church is the Chairman of AFG Venture Group, an Australian and Asia corporate advisory firm with various activities throughout Australia, South East Asia and India. He is also Special Counsel to Stephenson Harwood, an English law firm with operations in multiple jurisdictions including London, Hong Kong and Singapore. Mr Church is also a non-executive director of a number of corporations and not for profit organizations. He also holds professorial appointments at Curtin University in Perth, Great Lakes Institute of Management in Chennai and Sri Sharada Institute of Indian Management in New Delhi.

Mr Church joined the Board on 12 December 2011.

Mr Church is a member of the Audit Committee. Mr Church is viewed as having substantial legal, corporate and business experience enabling him to make a strong strategic contribution to the Company.

KEY MANAGEMENT

NAME	POSITION
Heng Siow Kwee	Group HR Director, Managing Director, OMS
Betty Tan	Group Financial Controller, OMH
Eugene Tan	Senior Financial controller, OMH
Fanie Van Jaarsveld	Managing Director, OMM
Goh Ping Choon	General Manager, OMS
Adrian Low	General Manager, Marketing & Trading, OMS
Chen Xiao Dong	Chairman, OMQ, Managing Director, OM Sarawak
Dai Han Ping	General Manager, Production, OM Sarawak
Lisa Chee	General Manager, HR, OM Sarawak
Choi Pik Choing	Deputy General Manager, Accounts & Finance, OM Sarawak
Liu Xianfeng	General Manager, OMQ
Don Heng	Managing Director, OM Malaysia, Logistic
Mustapha Bin Ismuni	Managing Director, OMMY
Pu Guo Liang	General Manager, OMA

CORPORATE DIRECTORY

Directors

Low Ngee Tong	(Executive Chairman and Chief Executive Chairman)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director)
Tan Peng Chin	(Independent Non-Executive Director)
Thomas Teo Liang Huat	(Independent Non-Executive Director)
Peter Church OAM	(Independent Non-Executive Director)

Company Secretaries

Heng Siow Kwee
Julie Anne Wolseley
Conyers Corporate Services (Bermuda) Limited

ADDRESS OF COMPANY AND REGISTRIES

The address of the Corporate Office of the Company:

10 Eunos Road 8
#09-03A Singapore Post Centre
Singapore 408600
Telephone : (65) 6346 5515
Facsimile : (65) 6342 2242
Email : om@ommaterials.com

The address of the Bermuda Registered Office:

Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

The address of the Company's Principal Share Registry in Bermuda:

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

The address of the Company's Branch Share Registry in Australia:

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth, Western Australia 6000
Telephone : (618) 9323 2000
Facsimile : (618) 9323 2033
Website : www.computershare.com

Name of Bankers

Bank of China
Commonwealth Bank of Australia
Export-Import Bank of Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank

Name and Address of Auditors

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place , #07-03
Clifford Centre
Singapore 048621

Name and Address of Appointed Australian Agent and Australian Registered Office:

OM Holdings (Australia) Pty Ltd
102 Angelo Street
South Perth, WA 6151
Facsimile : (618) 9367 5489

Name of Bermuda Resident Representative

Conyers Corporate Services (Bermuda) Limited

Website : www.omholdingsltd.com

ASX Code : OMH

CORPORATE STRUCTURE

OM HOLDINGS LIMITED
(Incorporated in Bermuda)
Listed on ASX on 19 March 1998

- 100% **(OMM)** OM (Manganese) Ltd (Incorporated in Australia)
- 100% **(OMH BVI)** OM Holdings (B.V.I) Ltd (Incorporated in B.V.I)
  - 100% **(OMR HK)** OM Resources (HK) Limited (Incorporated in Hong Kong)
    - 100% **(OMMY)** OM Resources (M) Sdn.Bhd. (Incorporated in Malaysia)
      - 100% **(OMME)** OM Engineering Tech (M) Sdn Bhd (Incorporated in Malaysia)
      - 60% **(OMMR)** OM (ANR) Resources Sdn.Bhd. (Incorporated in Malaysia)
    - 100% **(OMS)** OM Materials (S) Pte Ltd (Incorporated in Singapore)
      - 75% **(OM Sarawak/OMSA)** OM Materials (Sarawak) Sdn.Bhd. (Incorporated in Malaysia)
      - 100% **(OMQ)** OM Materials (Qinzhou) Co Ltd (Incorporated in China)
      - 75% **(OM Samalaju/OMSM)** OM Materials (Samalaju) Sdn.Bhd. (Incorporated in Malaysia)
      - 70% **(OMA)** OM Hujin Science & Trade (Shanghai) Co Ltd (Incorporated in China)
      - 100% **(OM Malaysia / OMML)** OM Materials & Logistics (M) Sdn Bhd Formerly known as OM Materials (M) Sdn. Bhd. (Incorporated in Malaysia)
      - 33.33% **(OMJ)** OM Materials Japan Co.,Ltd (Incorporated in Japan)
    - 100% **(OMST)** OM Materials Trade (S) Pte Ltd (Incorporated in Singapore)
      - 100% **(OMQT)** OM Materials Trading (Qinzhou) Co Ltd (Incorporated in China)
- 100% **(OMH MU)** OMH (Mauritius) Corp. (Incorporated in Mauritius)
  - 26% **(NMPL)** Ntsimbintle Mining (Pty) Limited (Incorporated in South Africa)
    - 50.1% **(Tshipi Mines)** Tshipi e Ntle Manganese Mining (Pty) (Incorporated in South Africa)

Subsidiaries
Associates

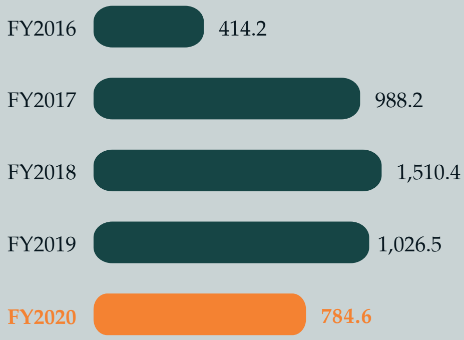
as at 31 December 2020

FINANCIAL HIGHLIGHTS

Revenue (A$'million)

FY2019 1,026.5

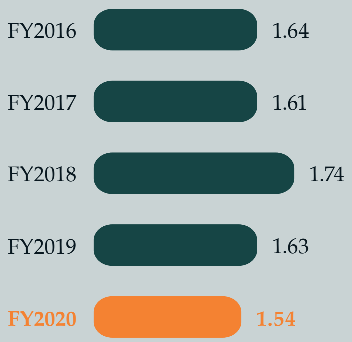
FY2020 784.6



Total Assets Per Share (A$)

FY2019 1.63

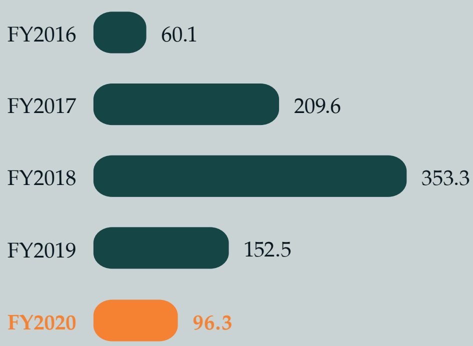
FY2020 1.54



Gross Profit (A$'million)

FY2019 152.5

FY2020 96.3



5 YEAR'S GROUP FINANCIAL HIGHLIGHTS

Financial years ended 31 December	2020 A$'million	2019 A$'million	2018 A$'million	2017 A$'million	2016 A$'million
Revenue	**784.6**	1,026.5	1,510.4	988.2	414.2
Profit/(loss) before income tax	**(4.7)**	58.9	236.9	72.6	(8.1)
Profit attributable to owners of the Company	**5.4**	56.6	161.7	92.7	7.9
Total assets	**1,133.4**	1,202.7	1,278.2	1,177.1	1,196.2
Shareholders' funds	**399.6**	424.9	388.6	228.0	139.7
Net tangible assets	**399.6**	424.9	388.6	228.0	139.7
	A$	**A$**	**A$**	**A$**	**A$**
Total assets per share	**1.54**	1.63	1.74	1.61	1.64
	A$ cents	**A$ cents**	**A$ cents**	**A$ cents**	**A$ cents**
Net asset backing per share	**63.56**	68.94	61.24	39.34	27.68
Basic profit per share	**0.73**	7.69	22.05	12.67	1.08
	2020	**2019**	**2018**	**2017**	**2016**
Gross profit (A$ million)	**96.3**	152.5	353.3	209.6	60.1
Gross profit margin (%)	**12.3**	14.9	23.4	21.2	14.5

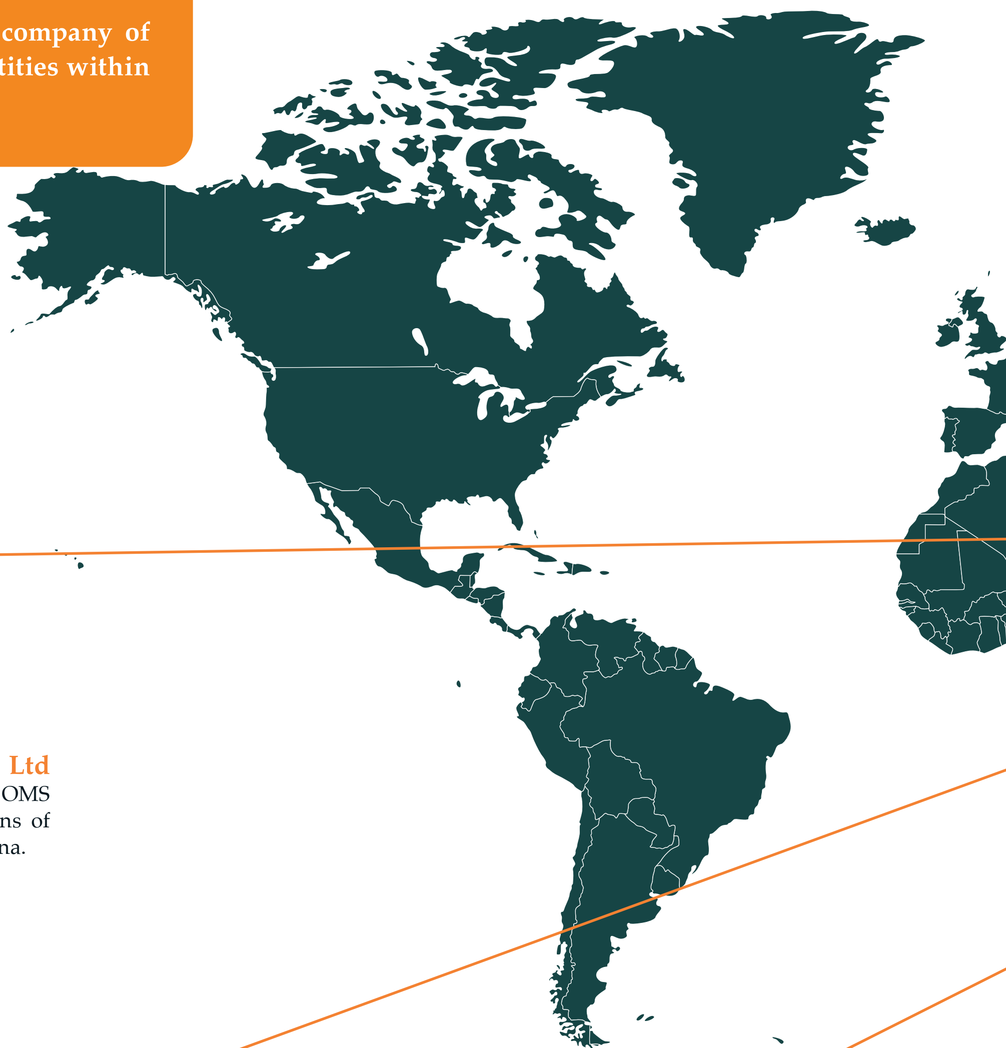
SALES BY INTERNATIONAL REGIONS

Region	2020	2019	2018	2017	2016
	%	%	%	%	%
Europe	**5.5**	7.7	9.8	12.2	3.6
Middle East	**6.3**	3.9	5.5	6.1	1.6
Asia Pacific	**86.1**	83.6	82.1	77.0	93.2
Africa	**0.4**	0.2	0.1	0.7	0.2
Others	**1.7**	4.6	2.5	4.0	1.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

GROUP OVERVIEW

KEY OPERATING ENTITIES OF OM HOLDINGS GROUP

OMH is the investment holding company of the Group. The main operating entities within the Group are outlined below.



OM Materials (Qinzhou) Trading Co Ltd (“OMQT”) – OMQT is the distribution arm of OMS in China. This company supports the operations of OMS and distributes and trades materials in China.

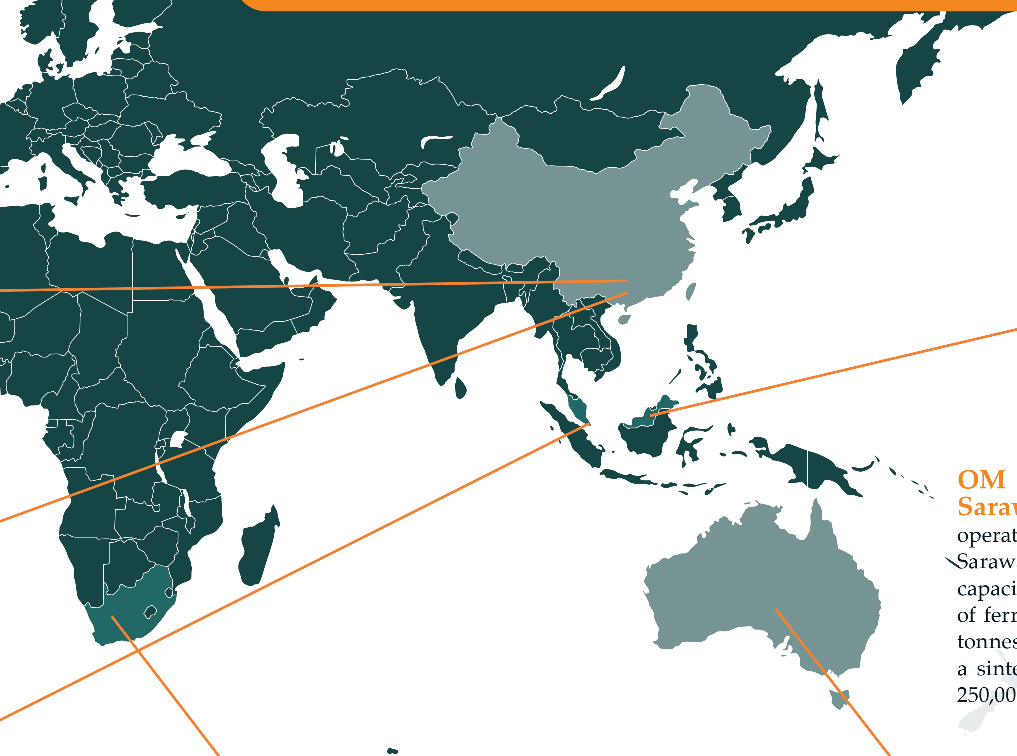
OM Materials Qinzhou Co Ltd (“OMQ”) – OMQ owns and operates a manganese alloy smelter in Qinzhou, Guangxi province, China. The smelter is located approximately 1km from the Qinzhou port, providing OMQ a competitive advantage with respect to ease of access to seaborne manganese ore. OMQ also provides the Group with intangible benefits such as market intelligence and insights into smelter economics in China.

OM Materials (S) Pte Ltd (“OMS”) – OMS, based in Singapore is the strategic trading hub of the Group. It handles the logistics, marketing, product flow and distribution activities of the Group. Core businesses of OMS include equity ore sales from Bootu Creek, marketing of OM Sarawak’s alloy production, as well as the distribution of third party ores to the Group’s global network of customers.

OM Holdings Limited ("OMH" or the "Company") and its subsidiaries (collectively the "Group") has an established track record of over 20 years in exploration, project development, operations and marketing and trading. With vertically integrated operations globally in exploration, mining, smelting, sintering and marketing and trading, the Group is able to capture significant value and margins along the entire value chain.

The Group's three core businesses comprise the exploration and mining of manganese ore, production of manganese alloys and ferrosilicon and the marketing and trading of manganese ore and ferroalloys.

Today, the Group is one of the world's major manganese ore, ferrosilicon and manganese alloy producers.



OM Materials (Sarawak) Sdn Bhd ("OM Sarawak / OMSA") – OM Sarawak owns and operates a ferrosilicon and manganese alloy smelter in Sarawak, East Malaysia, with an annual production capacity of approximately 200,000 to 210,000 tonnes of ferrosilicon, and approximately 250,000 to 300,000 tonnes of manganese alloy. The plant also consists of a sinter plant that has a design capacity to produce 250,000 tonnes of sinter ore per annum.

OMH (Mauritius) Corp ("OMH MU") – OM Mauritius has a 13% effective interest in the Tshipi Borwa Manganese mine located in the world-class Kalahari Manganese field located in the Northern Cape of South Africa. The Tshipi Borwa Manganese mine currently has a production rate of approximately 3.3 to 3.6 million tonnes per annum and the Group also markets its 13% effective interest of the mine's annual production.

OM (Manganese) Ltd ("OMM") – OMM owns and operates the Bootu Creek manganese mine located in Northern Territory, Australia. The Bootu Creek mine is located approximately 110km north of Tennant Creek. Mining operations commenced in November 2005 and the first batch of ore was processed in April 2006. In 2020, mining and production operations were normalized following a 4 month period of halted mining activities in 2019.

PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX

HIGHLIGHTS

Ferrosilicon annual production
167,443 tonnes

Ferrosilicon sold and exported
171,502 tonnes

Manganese alloys annual production
227,406 tonnes

Manganese alloys sold and exported
231,129 tonnes

Aerial view of OM Sarawak

OVERVIEW

OM Materials (Sarawak) Sdn Bhd ("OM Sarawak") and OM Materials (Samalaju) Sdn Bhd ("OM Samalaju"), both 75:25 joint ventures between OMH and Cahya Mata Sarawak Berhad ("CMSB"), a conglomerate listed on the Main Market of Bursa Malaysia, is the owner of the Ferroalloy Smelting Project 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 furnaces are allocated for the production of ferrosilicon and 6 units have been modified to produce manganese alloys. The Plant has a design production capacity of 200,000 to 210,000 tonnes of ferrosilicon and 250,000 to 300,000 tonnes of manganese alloys 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.

PLANT CONSTRUCTION & DEVELOPMENT

The handover phase for the expansion projects commenced in 2019 and included sheltered warehouses, sinter plant and a laboratory with all completed in 2020. Hot commissioning and performance testing of the sinter plant commenced in early October 2020. The prolonged COVID-19 pandemic and continued global travel restrictions imposed had consequently limited contractors' activities for the onsite commissioning of the sinter plant, which resulted in a longer than expected commissioning and performance testing period. Full commercial production of sintered manganese ore was originally targeted to commence in 1H 2021, but may be deferred subject to final acceptance of equipment condition.

To align with long-term trends in the ferroalloy market and to generate the highest return per furnace over the full price cycle, the Company decided to convert two idled ferrosilicon furnaces to produce manganese alloys during Q4 2020. Contracts were awarded and the equipment was shipped out from China in December 2020. Equipment and machineries installation works originally scheduled for late Q1 2021 has been deferred to commence in Q3 2021, pending contractors entering Sarawak for equipment installation and performance testing. Meanwhile, excavation works for the two furnace linings were completed in Q1 2021 with civil works currently in progress.

PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX

OPERATIONS

The outbreak of the COVID-19 pandemic has negatively affected general economic activity globally. The Malaysian Government has implemented various lockdown measures of varying degrees in order to prevent the spread of COVID-19. These measures continue to be reviewed from time to time. As of January 2021, a new lockdown measure ("Movement Control Order 2.0") was reintroduced following the resurgence of COVID-19 cases in Malaysia. The country's border remains closed to date with strict travel restrictions imposed.

During the year, OM Sarawak experienced manpower constraints as a result of the closure of international borders and the restrictions on applications for new permits to hire foreign skilled workers. The lack of skilled manpower impacted the Plant's ability to operate at full capacity. Consequently, 12 out of 16 furnaces were in operation with six furnaces producing ferrosilicon and six furnaces producing manganese alloys. Of the remaining four ferrosilicon furnaces, two had been idled for the purposes of conversion to produce manganese alloys, with the other two furnaces placed on care and maintenance.

Applications and recruitment of foreign skilled and semi-skilled workers are ongoing. As a long term strategy to localise the workforce, OM Sarawak has been progressively increasing its local workforce contribution through on-the-job training programs especially in smelting operations. Trained apprentices will work under the supervision of skilled operators to ensure full competency, however this may not be able to alleviate the immediate manpower shortage issues.

Annual production of 167,443 tonnes of ferrosilicon and 227,406 tonnes of manganese alloys, which comprised silicomanganese and high carbon ferromanganese were achieved during the year 2020. Ferrosilicon production reduced by 27.4% or 63,292 tonnes as compared to 2019 due to reduced production capacity due to the idling of the 4 ferrosilicon furnaces. Manganese alloys production volume decreased by 8.3% or 20,757 tonnes mainly attributed to the changes in the product mix.

Export volumes for ferrosilicon and manganese alloys dropped by approximately 22% or 48,326 tonnes and 3.8% or 9,151 tonnes respectively due to weaker global demand for ferroalloys as well as the downturn in global economic activities arising from the COVID-19 pandemic.

Table 1: Production & Sales

Product (tonnes)	Years ended 31 December				
	2020	2019	2018	2017	2016
Production					
Ferrosilicon (FeSi)	167,443	230,735	220,515	174,540	126,261
Manganese Alloys (SiMn, HCFeMn)	227,406	248,163	242,341	173,911	876
Sales					
Ferrosilicon (FeSi)	171,502	219,828	225,749	182,316	129,025
Manganese Alloys (SiMn, HCFeMn)	231,129	240,280	241,166	159,533	222

OM Sarawak benefits from competitively priced and reliable hydropower, direct access to a dedicated port facility, geographical proximity to both raw material sources and East and South East Asian steel mills, tax incentives, and the absence of duties common in alloy markets.

In 2021, OM Sarawak will focus on bringing all idled furnaces back into full production, including the commissioning of the ferrosilicon furnaces that are currently undergoing conversion to produce manganese alloys. While the expansion project to produce metallic silicon was delayed to conserve capital, the Company has put an emphasis on increasing manganese smelting capacity through the construction of two new 33 MVA manganese furnaces as part of its long term growth strategy.

MARKETING & TRADING OPERATIONAL REVIEW

HIGHLIGHTS

Tonnage of ores and alloys transacted in 2020

1,958,507 tonnes

Tonnage of ores and alloys transacted in 2019

1,731,291 tonnes

The increase in the volumes was mainly attributed to the increase in manganese ore production at Bootu Creek and the distribution of related party manganese ore in China.

OVERVIEW AND UPDATE IN 2020

The outbreak of the COVID-19 pandemic impacted economic activities globally, including the steel industry. World steel production, which has been on a gradual uptrend since 2015, recorded a reduction of 4.9% year-on-year in H1 2020. Steel production regained its upward momentum with an increase of 4.1% year-on-year in H2 2020 and eventually reached 1.67 billion tonnes at the end of the year, marginally lower by 1% against 2019.

Despite the challenges faced, the Group was able to navigate fast-changing conditions and leverage on its expertise in understanding customer demand. Adjusting product mix on a just-in-time basis, focusing on core regional customers in South East Asia, and maintaining a pro-active approach with freight companies were some of the strategies adopted in overcoming the challenges posed by deteriorating ferroalloy demand and the surge in global freight rates.

Manganese ore prices continued on a downward trend at the end of 2020 given the high levels of port inventories in China. On the other hand, ferrosilicon and manganese alloy demand outside of China picked up, raising prices as steel mills began collectively restocking ferroalloys towards the end of December 2020. Prices continued rising into 2021 off the back of similar trends.

2020 SALES BY GEOGRAPHICAL SEGMENT

Comparison sales by International Regions:

	2020	2019	2018	2017	2016
Region	%	%	%	%	%
Asia Pacific	86.1	83.6	82.1	77.0	93.2
Europe	5.5	7.7	9.8	12.2	3.6
Middle East	6.3	3.9	5.5	6.1	1.6
Africa	0.4	0.2	0.1	0.7	0.2
Others	1.7	4.6	2.5	4.0	1.4
Total	100.0	100.0	100.0	100.0	100.0

HIGHLIGHTS

Annual production of manganese ore
738,019 tonnes with
an average grade of 28.10% Mn

Sales of manganese ore
642,731 tonnes with
an average grade of 27.78% Mn

Mineral resources of
9.43 million tonnes
at 15.53% Mn

OVERVIEW

OM (Manganese) Ltd ("OMM") is a wholly owned subsidiary of the Company and one of the Group's core businesses with its main activities being exploration and mining of manganese ore at the Bootu Creek Mine. The Bootu Creek Mine is located 110 km north of Tennant Creek in the Northern Territory of Australia. OMM's principal administration office is in Perth.

The exploration and subsequent development of the Bootu Creek Project commenced in September 2001. Mining operations commenced in November 2005 and the first batch of ore was processed in April 2006.

The main mineral lease (ML24031) is in the Bootu Creek area on pastoral leases, where the mining and processing operations are based and where the currently defined Mineral Resources (excluding Renner West deposit, located on EL28041) and Ore Reserves have been identified.

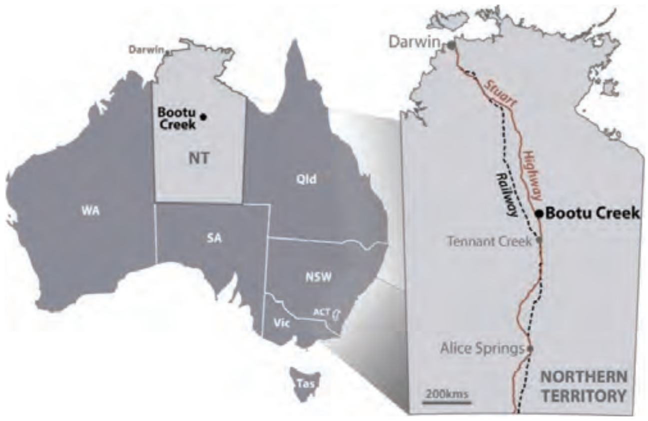


Figure 1. Bootu Creek Manganese Mine Site Location

A preliminary feasibility study including metallurgical test work and mine assessment of the Renner West Inferred Resource commenced in 2020 with the view of upgrading the deposit to Ore Reserve status. The Renner Springs Project area is located approximately 70 km northwest of the Bootu Creek mine site, covering an extensive dolomite-siltstone sequence which hosts several shallow dipping and flat lying manganese occurrences.

The Bootu Creek Project area contains several manganese deposits located along the western and eastern limbs of the Bootu syncline. The individual mineralised horizons are generally strata-bound in character and can persist over strike lengths of up to 3 km. The Mineral Resources defined to date at the project are long shallow, gently dipping deposits amenable to open-pit mining.

Mining at the Bootu Creek Mine is carried out using a conventional open-cut method of mining, blasting and excavation using hydraulic excavators and dump trucks.

The Bootu Creek plant is a relatively simple crushing and screening operation, followed by heavy media separation (HMS) to concentrate the manganese minerals. The plant comprises of three separately built processing plants. The original primary processing plant (PPP) was commissioned in 2006 and processes the Run of Mine (ROM) ore. The secondary processing plant (SPP) commissioned in December 2009 abuts the PPP and selectively processes drum plant rejects and washed fines from the PPP and previously stockpiled drum plant rejects.

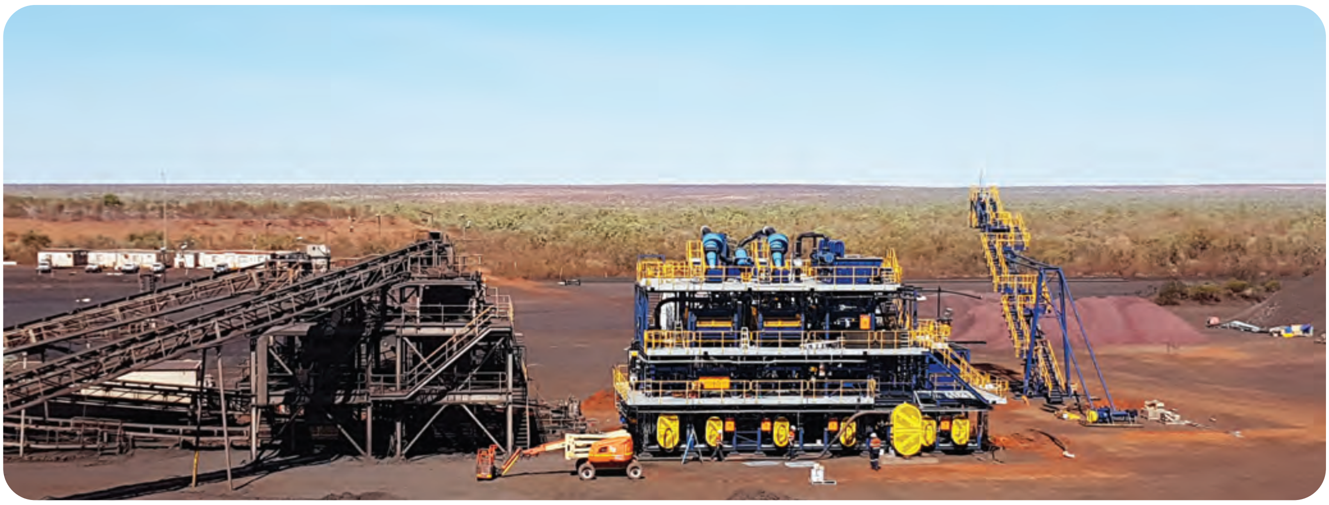


Figure 2. Ultra-Fines Processing Facility

MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

The recently commissioned Ultra Fines Plant (UFP) abuts the SPP and processes the PPP scrubber tails, recovered rejects and historical tailings deposits. The PPP was designed to produce a nominal 550,000 tonnes of product per annum, comprising about 420,000 tonnes of lump and about 130,000 tonnes of fines. Numerous capital upgrades and improvements increased the PPP's production capacity to approximately 800,000 tonnes of product per annum. The commissioning of the SPP in 2009 added a further capacity of approximately 200,000 tonnes bringing the combined production capacity from the two plants to approximately 1 million tonnes per annum dependent upon the characteristics of the ore being fed.

The addition of the UFP (ie. the third plant) in March 2020, which was designed to treat the tailings streams and produce a nominal 250,000 tonnes per annum, increases the combined production capacity from the three plants to 1.25 million tonnes per annum. There has been a number of start-up issues associated with the UFP including poor screening efficiencies which affected the downstream separation and optimisation of the classifiers. This contributed to lower product grades and yields. Several screen media have been trialled to improve the screening efficiencies and rectification works are ongoing with measures implemented aimed at optimising the performance of the UFP. An image of the UFP at the mine site is shown in Figure 2 (pg.13):

The processing of manganese ore is described diagrammatically below:

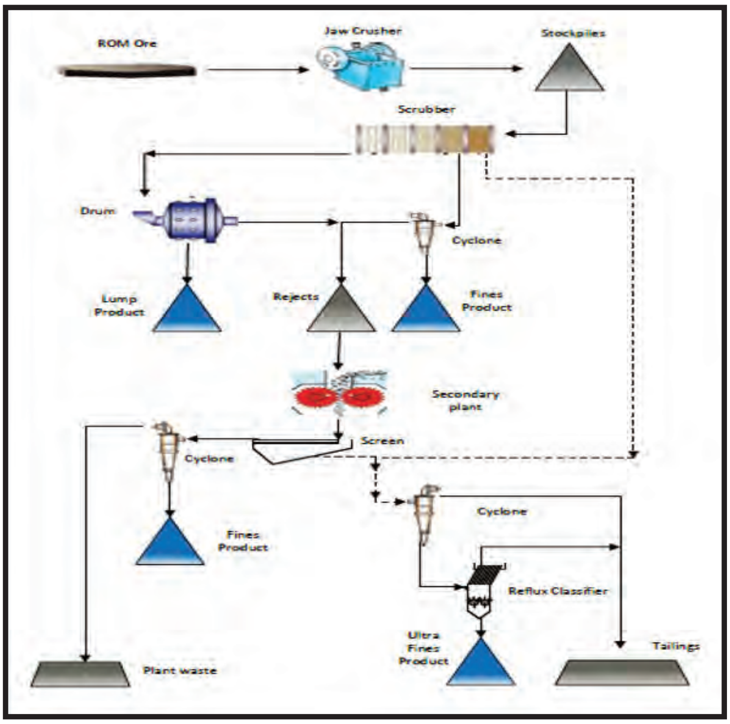


Figure 3. Bootu Creek Manganese Processing Plant Schematic

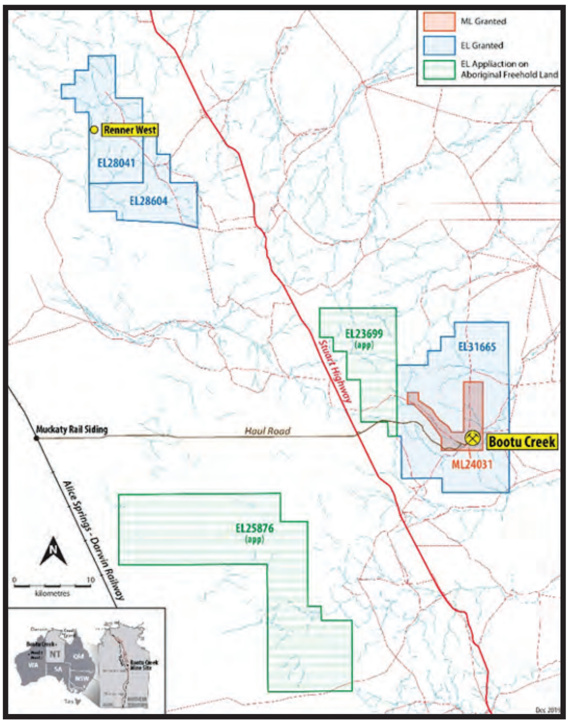


Figure 4 – Bootu Creek location and Tenement plan

Manganese product produced on the mine site is transported 60 km to the Muckaty Rail Siding on a sealed private road and then approximately 800 km to the Port of Darwin via the Alice Springs to Darwin rail line.

Manganese product is stockpiled at the rail head at the Port of Darwin prior to being transported to the port ship loader and loaded onto vessels for shipping to overseas markets. OMM achieved production of 738,019 tonnes at an average grade of 28.10% Mn for the year ended 31 December 2020. The mining strategy was centred around 3 digger fleets which focused on Masai 4, Masai 3 and Masai 2 pits on the Western Limb. After completion of these pits, the focus shifted to Chugga Far North E and Shekuma 8 on the Eastern Limb during the last quarter of 2020.

For 2021, mining will continue in the Eastern limb in Chugga Far North E and F and the Shekuma 8 deposits, with planned cutbacks at the Masai 5 and Zulu South pits later in the year. The mining operational requirement will decrease to 2 digger fleets and 8 haul trucks for the remainder of the year. This will result in lower mining costs, with the possibility of revisiting the strategy in the future if the market becomes more favourable.

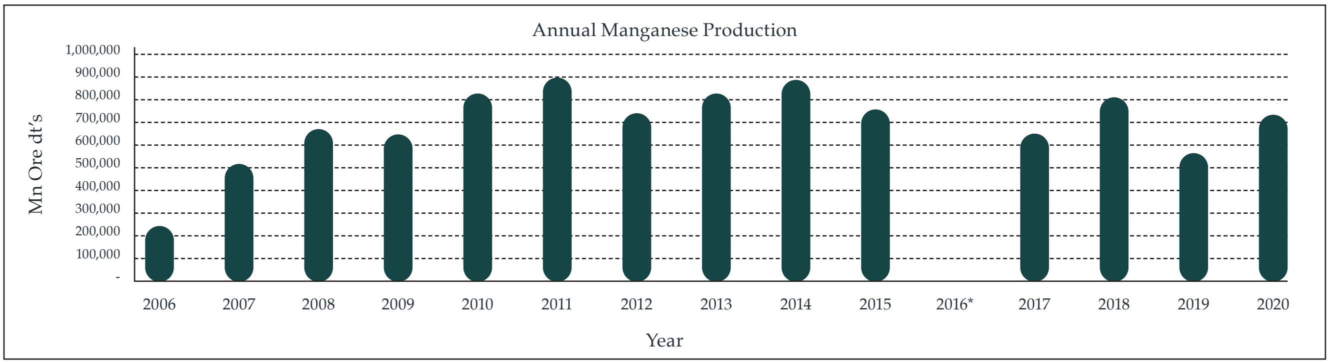
Higher grade ores from the Shekuma and Chugga Far North pits combined with additional lower grade manganese ore, which was previously defined as waste, will form the base plant feed for the coming year maintaining the current processing plant mass yields.

The current Indicated Mineral Resources for Tourag will be revised, and the Masai 5 and Zulu South deposits upgraded to Ore Reserve status in 2021, subject to satisfactory geotechnical assessment and optimised pit designs.

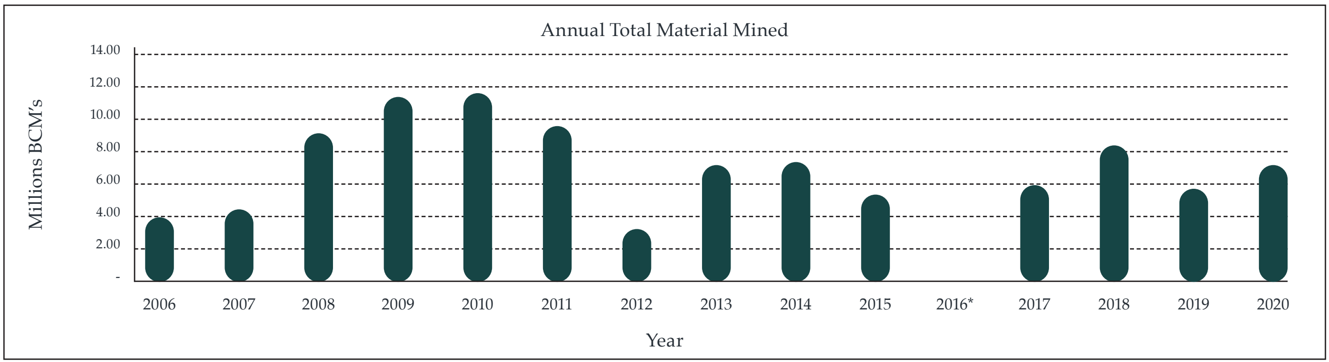
During the 2020 financial year, a total of 637,873 tonnes of manganese product was exported through the Port of Darwin, with an additional 4,858 tonnes sold domestically.

	Unit	Years ended 31 December 2020	2019	2018	2017	2016
Mining						
Total Material Mined	bcms	7,411,431	5,748,339	8,426,107	5,970,784	-
Ore Mined - Tonnes	dt	1,008,015	1,034,190	1,819,012	1,587,630	-
Ore Mined - Mn Grade	%	19.19	20.48	21.94	21.32	-
Production						
Lump - Tonnes	dt	607,411	438,509	622,279	465,235	-
Lump - Mn Grade	%	26.72	32.83	35.50	35.60	-
Fines/SPP/TRP - Tonnes	dt	130,608	131,581	191,761	190,914	-
Fines/SPP/TRP - Mn Grade	%	34.51	36.62	36.64	36.50	-
Total Production - Tonnes	**dt**	**738,019**	**570,090**	**814,040**	**656,149**	-
Total Production - Mn Grade	%	**28.10**	**33.71**	**35.77**	**35.87**	-
Sales						
Lump - Tonnes	dt	553,976	452,774	593,778	462,234	119,470
Lump - Mn Grade	%	26.56	32.91	35.66	35.61	35.75
Fines/SPP/TRP - Tonnes	dt	88,755	168,772	203,238	184,385	68,674
Fines/SPP/TRP - Mn Grade	%	35.34	36.40	36.62	36.60	37.22
Total Sales - Tonnes	**dt**	**642,731**	**621,546**	**797,015**	**646,619**	**188,144**
Total Sales - Mn Grade	%	**27.78**	**33.86**	**35.90**	**35.89**	**36.29**

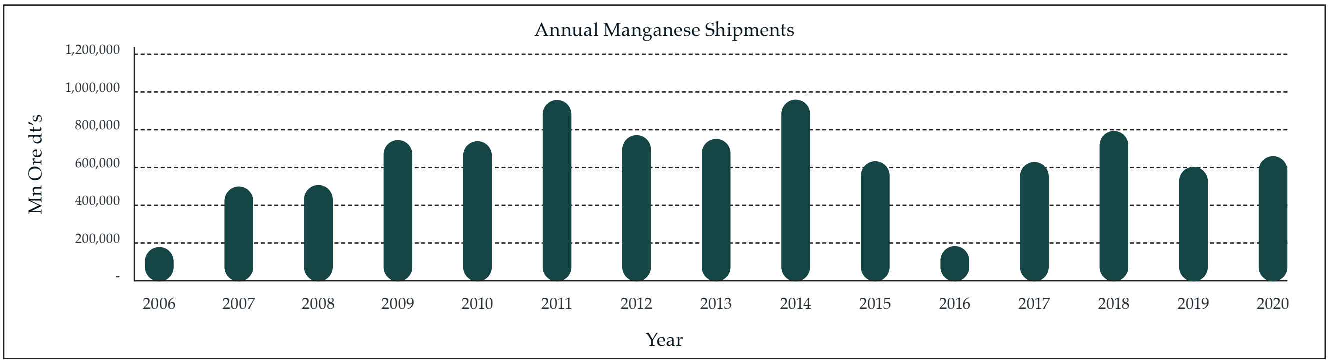
Table 1. Production and Sales FY2016 – FY2020



***Note – No production and mining activity conducted in FY2016**



***Note – No production and mining activity conducted in FY2016**



MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

Bootu Creek Mineral Resource and Ore Reserve as at 31 December 2020

The 31 December 2019 Ore Reserve of 8.93 million tonnes was depleted in 2020 by the processing of 0.99 million tonnes of mined ore, mainly sourced from the now completed Masai 2, 3 and 4 pits. This compares with the 31 December 2020 Ore Reserve of 8.83 million tonnes. Ore stockpiles increased in 2020 by total of 0.70 million tonnes when compared to the 31 December 2019 Ore Reserve, due in part to a reduction in the cutoff grade for low grade ROM stocks, and revised totals for SPP and UFP stocks.

The 31 December 2020 Mineral Resource of 9.43 million tonnes compares with the 31 December 2019 Mineral Resource of 10.03 million tonnes.

The cutoff grade for low grade ROM stocks was reduced from 15% Mn to 10% Mn. The Mineral Resource previously quoted for the Foldnose deposit was deleted from the current inventory due to a suboptimal re-assessment.

	31 December 2020		31 December 2019		Change
	Million Tonnes	% Mn	Million Tonnes	% Mn	Million Tonnes
Mineral Resource	**9.43**	**15.53**	**10.03**	**16.51**	**-0.60**
Ore Reserve	**8.83**	**14.68**	**8.93**	**15.29**	**-0.10**

Table 2. Comparison of Mineral Resource and Ore Reserve as at 31 Dec 2020 with 31 Dec 2019

The Bootu Creek Mineral Resource and Ore Reserve estimates have been completed in accordance with the JORC Code (2012 edition).

Bootu Creek Mineral Resource as at 31 December 2020

Undiluted	Measured		Indicated		Inferred		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn	**Mt**	**%Mn**
CFN	0.23	22.96	0.52	22.89			**0.75**	**22.91**
Masai 5			0.09	26.85			**0.09**	**26.85**
Shekuma	0.10	22.69	0.41	24.98			**0.51**	**24.54**
Tourag	0.34	22.67	0.33	22.72			**0.67**	**22.69**
Zulu South			0.23	20.91			**0.23**	**20.91**
Renner West			0.28	22.26			**0.28**	**22.26**
Insitu Resource*	**0.67**	**22.77**	**1.86**	**23.18**	**0.00**	**0.00**	2.53	23.07
ROM Stocks	0.16	14.31					**0.16**	**14.31**
SPP Stocks	0.47	15.76					**0.47**	**15.76**
UFP Rejects			3.18	13.97			**3.18**	**13.97**
UFP Tailings			3.09	10.99			**3.09**	**10.99**
Total Resource*	**1.30**	**19.21**	**8.13**	**14.94**	**0.00**	**0.00**	9.43	15.53

**Rounding gives rise to unit discrepancies in this table*

Table 3. Bootu Creek Mineral Resource as at 31 December 2020

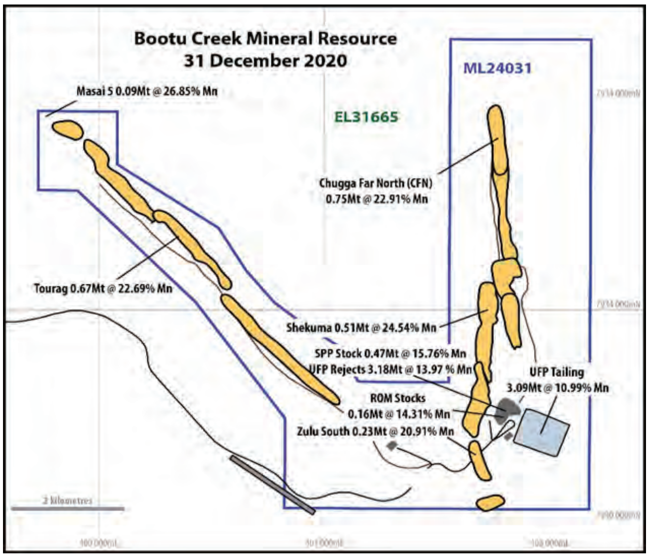


Figure 5. Location Plan for the Bootu Creek Mineral Resources as at 31 December 2020

The Mineral Resources models were optimised using Whittle software, based on a 15% Mn cut-off grade and an FOB Darwin Price of A$4.52/dmtu (US$3.30/dmtu) at a foreign exchange rate of 0.73 (AUD:USD) for a 26% Mn product grade. Feed stock for the UFP facility includes feed from the Tailings Storage Facilities TSF1, TSF2 and TSF3 and from current plant tails. The Mineral Resource quoted for UFP Tailings is based on metallurgical test work from 2015 core sampling, and from surveyed reject stockpiles located adjacent to the UFP facility and in nearby pits.

Bootu Creek Ore Reserve as at 31 December 2020

Diluted	Proved		Probable		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	**Mt**	**%Mn**
CFN	0.23	21.24	0.52	21.17	**0.75**	**21.19**
Masai 5						
Shekuma	0.10	20.99	0.41	23.11	**0.51**	**22.70**
Tourag	0.34	20.97	0.33	21.02	**0.67**	**20.99**
ZuluSouth						
Renner West						
Insitu Reserve*	**0.67**	**21.06**	**1.26**	**21.76**	**1.93**	**21.52**
ROM Stocks	0.16	14.31			**0.16**	**14.31**
SPP Stocks	0.47	15.76			**0.47**	**15.76**
UFP Rejects			3.18	13.97	**3.18**	**13.97**
UFP Tailings			3.09	10.99	**3.09**	**10.99**
Total Reserve*	**1.30**	**18.33**	**7.53**	**14.05**	**8.83**	**14.68**
Dilution Factors	*1.000*	*0.925*				

**Rounding gives rise to unit discrepancies in this table*

Table 4. Bootu Creek Ore Reserve as at 31 December 2020

The 0.80 million tonne reduction in the 31 December 2020 insitu Ore Reserve since 31 December 2019 compares favourably to the 2020 processing of 0.99 million tonnes of mined ore. The net positive variance of 0.19 million tonnes is attributed to the stockpiling and processing of low-grade mined ore, and on the reclassification of the Shekuma rejects stockpile as SPP stock.

Masai 2, Masai 3 and Masai 4 pits were mined out in 2020.

The FOB Darwin price of A$4.52/dmtu as used in the 31 December 2020 Ore Reserve for a 26% Mn product grade, was reduced from the A$6.62/dmtu applied to a 35% Mn product grade in the 31 December 2019 Ore Reserve. The current lower product grade is a function of fresher ores being harder to beneficiate, and on overall higher product yields. Revised mining, processing and logistic costs were based on the Bootu Creek 2021 Budget.

Figure 6. Location Plan for the Bootu Creek Ore Reserve as at 31 December 2020

2020 BOOTU CREEK EXPLORATION PROGRAM

The exploration program planned for 2020 was deferred to 2021, owing to delays in negotiating a revised Access Agreement and undertaking requested Biodiversity and Heritage surveys.

The RC program in 2019 drill tested a recently discovered outcrop, referred to as Carruthers North prospect. Best intersections were 7 metres at 27.7% Mn from surface and 2 metres at 27.4% Mn from 38 metres in RSRC0321, and 5 metres at 24.2% Mn from surface in RSRC0323 (drill results listed in Table 2 attached to the ASX Summary Information on page 30). Follow up drilling in 2021 will test the strike length and down dip extent of the mineralisation.

A Diamond Drill Hole program in 2019 was designed to provide core for metallurgical test work within the Renner West deposit. Better intersections included 4.8 metres at 27.63% Mn from 4.0 metres in RSDD001, 2.7 metres at 28.2% from 4.6 metres and 3.2 metres at 33.65% Mn from 18.1 metres in RSDD002, and 4.2 metres at 26.81% Mn from 2.6 metres and 4.3 metres at 33.98% Mn from 6.8 metres in RSDD003 (drill results listed in Table 1 attached to the ASX Summary Information on page 30).

Heavy Liquid Separation (HLS) metallurgical test work on those core samples was completed in early 2020 with favourable results supporting an upgrade of the Renner West Inferred Mineral Resource to an Indicated Mineral Resource status.

MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

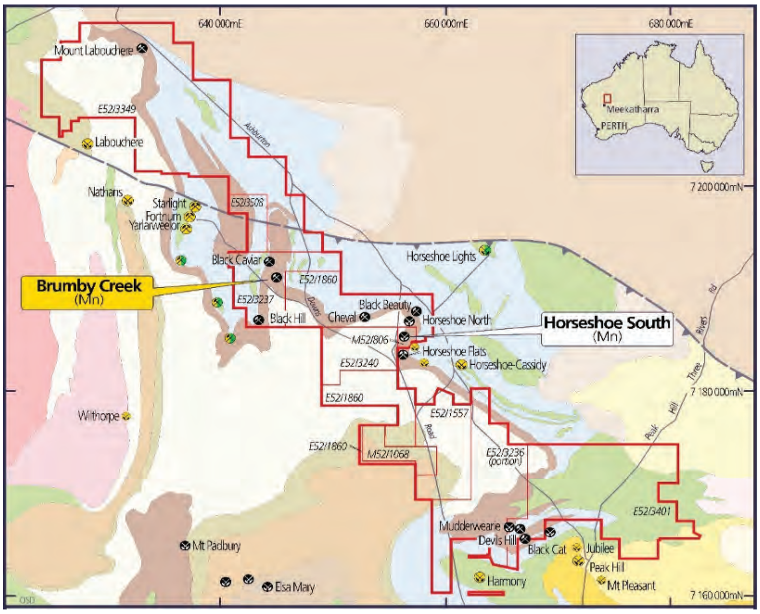


Figure 7. Location Plan for the Bryah Basin Manganese Farm-In

EXPLORATION – BRYAH BASIN (OMM – 30%, BRYAH RESOURCES LIMITED – 70%)

In April 2019 OMM entered into a Farm-In and Joint Venture Agreement with Bryah Resources Limited for the manganese rights in approximately 660 km^2 of exploration tenements in the Bryah Basin, located approximately 150 km north of the town of Meekatharra in central Western Australia. The agreement includes the historic Horseshoe South Manganese mine which has been the largest, and highest grade, manganese mine in the region.

Under the terms of the agreement, OMM paid Bryah Resources Limited A$500,000 in two cash instalments and funded an additional A$500,000 in exploration to earn its initial 10% Joint Venture interest at the end of August 2019.

The exploration work involved two programs of shallow Reverse Circulation drilling to test targets at the Horseshoe South Manganese mine and the Black Hill, Brumby Creek, Devils Hill, Black Caviar and Black Cat prospects. In total 205 holes were drilled for 5,143 metres.

The results of the exploration drilling were sufficiently encouraging for OMM to proceed with Stage 2 of the Joint Venture whereby OMM can elect to fund an additional A$2.0 million (in 4 tranches of $0.5 million) in manganese exploration by 30 June 2022 to earn an additional 41% Joint Venture interest taking OMM's shareholding to 51% of the project.

OMM has since completed 2 tranches of funding and currently holds a 30% Joint Venture interest in the Bryah Basin Manganese Joint Venture.

Tranche 3 exploration is currently underway and is focussed on providing sufficient information to confirm ore continuity and provide data for an initial Mineral Resource estimation by the end of Q2 2021. 7 PQ diamond holes were drilled in December 2020 / January 2021 to provide core for planned metallurgical and density test work.

The information in this report which relates to Reporting of Exploration Results, Mineral Resources and Ore Reserves estimation is based on information compiled and checked by Mr Craig Reddell, an employee of OM (Manganese) Limited. Mr Reddell is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

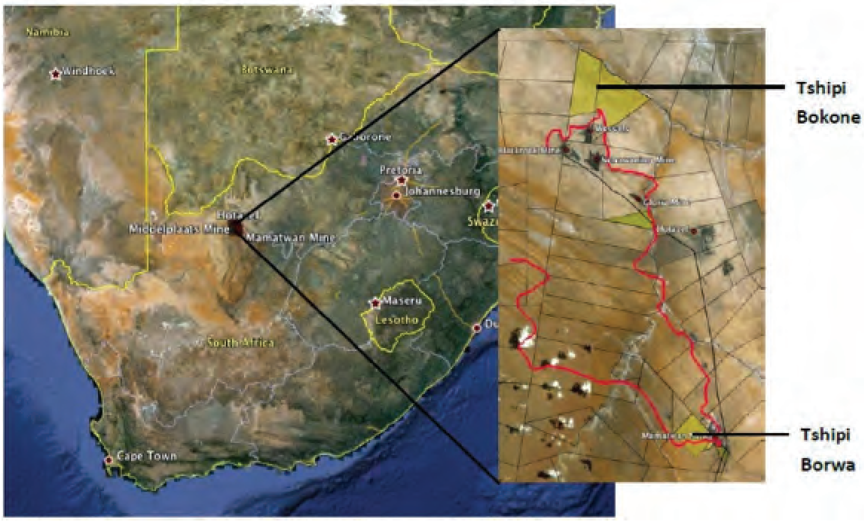
TSHIPI É NTLE MANGANESE MINING PTY LTD (“TSHIPI”)

HIGHLIGHTS

Tshipi exports totalled
3,359,175 tonnes
during calendar year 2020

- A world-class low cost long-life manganese asset.
- Largest manganese mine in South Africa in terms of production and export and one of the five largest manganese mines globally.
- Tshipi commenced exporting manganese ore in 2012.
- Total exports included both lump and fines.

Tshipi Project Location



OVERVIEW

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. The remaining 49.9% share is owned by Jupiter Mines Limited.

Tshipi owns a manganese property in the world-class Kalahari Manganese field located in the Northern Cape of South Africa. The Kalahari Manganese Field, which stretches for 35km long and is approximately 15km wide, hosting a significant portion of the world’s economically mineable high grade manganese ore resources.

The Tshipi Borwa mine is an open pit manganese mine with an integrated ore processing plant which commenced production in October 2012. As of 29 February 2020, Tshipi Borwa Mine has a total Mineral Resource Estimation of circa 427 million tonnes in accordance with JORC Code (2012). In 2020 a total of 3,359,175 tonnes of manganese ore were exported.

The Tshipi Borwa Mine is located on the south western outer rim of the Kalahari Manganese Field making the ore resources shallower and more amenable to open pit mining.

The Tshipi Borwa ore body commences at a depth of 70m below the surface and the ore is contained within a 30m to 45m thick mineralised zone which occurs along the entire Borwa Property. The ore layer dips gradually to the north-west at approximately 5 degrees.

Tshipi’s strategy is to mine and process the lower 15m of the mineralised zone, commonly known as the bottom cut, as it bears a higher grade ore. A portion of the upper 15m mineralised zone, referred to as the top cut, is planned to be stockpiled for possible use later.

Mining of Tshipi Borwa is a relatively simple truck and shovel open cast operation. Once exposed the manganese ore is drilled, blasted and loaded onto trucks and hauled to the main ROM stockpile.

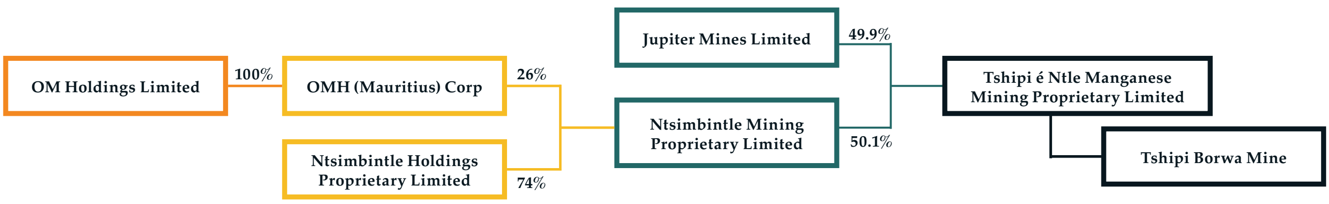
The ROM stockpile feeds the processing plant which is designed to treat approximately 3.3 to 3.6 million tonnes per annum of manganese ore.

These products are stockpiled before loading through a state-of-the art load-out station onto railway trains or road trucks.

Inland transportation of manganese products from the mine site is carried out by rail, and complemented by a combination of road and rail solutions to increase logistics capacity.

Tshipi’s product is then exported through (i) the Port Elizabeth bulk terminal; (ii) the Port Elizabeth multi-purpose terminal; or (iii) the Saldanha multi-purpose termina.

Tshipi Ownership Structure



COVID-19 IMPLICATIONS AND RESPONSES

GENERAL OVERVIEW

In response to the COVID-19 pandemic, we have been implementing necessary measures to ensure the health and safety of all our employees, contractors, local suppliers and the neighboring communities whilst maintaining operational resilience in our key business areas.

Specific plans were set up for the different regions that we operate in based on the respective functional areas. Each business segment's continuity plan differs to enable targeted solutions and responses outlined below:-

Employees and Contractors	Initiatives implemented aimed at keeping all employees safe and include increased hygiene standards, longer breaks between shifts, implementation of discrete non-overlapping teams where possible, and work-from-home protocols for office staff. Other measures such as safe distancing in the workplace and mandatory mandatory temperature screening at entry points in our offices, mine site mine site and smelter plants are in place. Travel restrictions are in strict compliance with the health and travel advisories issued in each respective jurisdiction where we operate.
Mining	Our Bootu Creek Mine in the Northern Territory of Australia has been operational throughout 2020. A COVID-19 Management Plan was put in place which included managing interstate employees, contractors and other persons required to travel to/from the mine site operations. To ensure operations are proceeding in a safe and sustainable manner, OMM has the option to adjust rosters and utilise Northern Territory based employees, which comprise approximately 70% of its workforce.
Smelting	**Sarawak Plant** The smelting operations at our Sarawak Plant were adversely impacted by the COVID-19 pandemic. At the outset of the pandemic, 2 out of 10 ferrosilicon furnaces were idled as an interim precautionary measure against the potential disruption of Chinese sourced raw materials. To ensure supply chain resilience, alternative suppliers were activated and raw materials were purchased in larger quantities to increase our safety stock. These were made possible with the consistent baseline activities maintained with key alternative suppliers and the warehousing capabilities at our Sarawak Plant. As part of our business continuity plan, two additional ferrosilicon furnaces were subsequently shut down and placed on care and maintenance due to limited manpower at the Sarawak Plant and partly due to depressed market demand. Recruitment of foreign skilled and semi-skilled workers were restricted with the enforcement of travel restrictions and closure of international borders. Whilst the four furnaces were shutdown, the Group took this opportunity to initiate the conversion process of two idled ferrosilicon furnaces to produce manganese alloys to align our product mix with market demand. A COVID-19 Management Committee with a dedicated COVID-19 task force was established to implement, execute and enforce tasks in accordance with the contingency plans set out in the Emergency Response Protocol. Voluntary COVID-19 testing for onsite employees was also conducted in collaboration with the Ministry of Health Malaysia. **Qinzhou Plant** Our Qinzhou Plant's operations were suspended since March 2020 due to the pandemic. During the downtime period, one of the furnaces underwent major maintenance while the other furnace was upgraded from 16.5 MVA to 25.5 MVA. Operations have since restarted at the end of January 2021.
Marketing and Trading	Our marketing and trading division has been constantly engaging and communicating with essential customers and suppliers on measures to mitigate possible logistical constraints. Negotiations for extended credit terms from suppliers were put in practice to manage cash flows. Part of the contingency plan also included leveraging the Group's network to identify alternative customers and supplier base for diversification when required.
Community	We work closely with the local communities where we operate and strive to support them in whatever areas we can during unprecedented times like this. As part of our ongoing support to the local communities in the Northern Territory where our Bootu Creek Mine is located, OMM continues to offer career opportunities and provides training to the Indigenous community. Regular meetings and traditional ceremonies were put on hold until the COVID-19 situation eases. In Sarawak, we contributed approximately RM1.4 million of personal protective equipment to the local health care front-liners. By mobilizing our global network reach, we were able to ease some of the procurement efforts amidst the supply chain challenges. 10,000 disposable medical protective suits, 10,000 isolation gowns, 5,000 face shields and 5,000 safety goggles were donated to support the Sarawak State Government in their effort to contain the spread of the virus.

While there were some disruptions to our operations due to the COVID-19 pandemic, we continuously made improvements to our business continuity plans to allow for flexibility in response to the constant changing environment.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Mineral Resource estimation summary:

The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formation in the Tomkinson Group, within the Ashburton Province of the Palaeozoic Tennant Creek Inlier. The mineralised manganese bearing sandstone horizon is folded around the gentle NNW plunging Bootu Syncline, can be traced for 24 km and dips around 30^{o} towards the fold axis.

The manganese ore is supergene enriched within a deeply weathered profile. The Bootu Creek manganese resource models have a combined strike length of 16 km, with deposit models ranging from 0.7 km to 2.9 km in length. Mineralisation widths vary from 3 m to 15 m and ore mineralogy consists predominately of Pyrolusite and Cryptomelane in a silica rich gangue within the supergene zone, overlaying a Rhodochrosite and Braunite unweathered zone at depths of greater than 90m from surface.

All Bootu Creek resource models, other than Renner West, are located within Mineral Lease ML24031, located 120 km north of Tennant Creek, Northern Territory, Australia. The Renner West Inferred Mineral Resource is located on EL28041 and located 70 km NW of the Bootu Creek mine site. Both tenements are granted, 100% owned by OMM and have no security of tenure issues at the time of reporting.

Resources at Bootu Creek ("**BC**") are predominantly sampled by vertical 5.5" face sampling Reverse Circulation (RC) drilling (91% of total drilled), HQ3 diamond (DD) drilling (2%) and open percussion (PC) drilling (7%), based on a nominal 50 m x 25 m spaced grid. Hole depths range from 12 m to 156 m and collar locations are picked up by Mine Surveyors using MGA94 co-ordinates. The 31 December 2020 BC resource delineation dataset for Bootu Creek (trimmed to remaining resource models) comprised 682 drill holes for 45,192 metres and the Renner West (RW) dataset had 145 drill holes for 6,284 metres. Tailings in TSF 1, TSF 2 and TSF 3 at Bootu Creek were sampled by 49 core holes for 455 metres, drilled utilising a track mounted Power Probe earth core drill. The 9 diamond holes drilled in 2019, drilled within current resource models, were to assess geotechnical parameters and metallurgical characteristics.

Sampling of RC holes is done on 1 metre downhole intervals and rotary split to produce approximately 3 kg samples. Intervals selected for analysis are generally limited to visible manganese mineralisation and adjacent host rock. Mineralised diamond core is quarter sawn to obtain 1 metre or geological intervals, with half core retained for density determination and metallurgical test work. Earth core samples were at 1.2 metre downhole intervals and split lengthways for assay and metallurgical samples. All drill samples were crushed, dried and pulverised (total prep) to produce a sub sample for XRF analysis. Field quality control procedures involved the use of field duplicates, certified BC standards (at an insertion rate of approx. 1:130) and several commercial laboratories for analysis.

The sample preparation of RC and earth core samples involve oven drying and full pulverisation before splitting off an XRF assay sub-sample. Diamond core assay samples are quarter sawn, jaw crushed and follow the same sample preparation technique. A pulp sub-sample is collected for analysis by XRF for the following elements: Mn, Fe, Al_2O_3, SiO_2, P, Pb, S, TiO_2, MgO, K_2O, BaO, CaO, Cu, Zn and Co_3O_4. LOI (loss on ignition) is assessed by thermo-gravimetric determination. Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates as part of the in-house procedures.

OM (Manganese) Ltd ("OMM") developed 6 reference standards in 2007 and 2010 for a range of manganese grade values, using blends of Mn, Fe and quartz material. These were sent to 10 commercial laboratories with returned values in the +-2% range against of the mean value. BC standards are submitted with each assay batch and results monitored to maintain an independent check on laboratory assays.

There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and several years of active mining at this mature mining operation. Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and lump product (gravity concentrate) samples.

Resource models were digitised and wire-framed from updated interpreted geological and assay drill cross sections prepared by OMM. These wireframes were used to select resource drill intersections and composite data was extracted for Mn, Fe, SiO_2, Al_2O_3, BaO and P based on one metre sample increments. The nugget effect from variography represented only 20 - 30% of the total variability, suggesting low inherent random behaviour for the manganese mineralisation, and did not warrant grade capping.

The models were estimated using the Ordinary Kriging (OK) estimation technique with Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and against OMM survey pit pickups. Block Model Parent Cells are 25 m (Y) by 10 m (X) by 5 m (Z) and compare favourably with maximum drill spacing of 50 m by 25 m or 40 m by 20 m. The along strike search radius varied from 130 m in the shorter or faulted models through to 290 m for the highly continuous Chugga-Gogo. The number of samples was set at a minimum of 15 and a maximum of 32 for passes 1 & 2. Pass 3 used a minimum of 2 samples to fill model extents. Search ranges varied from 130 m up to 290 m in the deposits of up to 3 km strike length. The search ellipsoids were flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains.

Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the Ore Reserve. The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option. Bulk density of Tailings is estimated at 1.60 kg/m3 and Rejects at 1.73 kg/m3 on a dry tonnes' basis, both assessed on historical site data.

The mineralised domains have demonstrated continuity in both geology and grade to support the definition of Mineral Resource and Ore Reserves, and the classifications applied under the JORC Code (2012 edition). The nominal drill hole spacing of 50 m by 25 m was considered to provide adequate geological and grade continuity definition to assign an Indicated Mineral Resource classification to most of the deposits at Bootu Creek. Measured Mineral Resources were restricted to closely drilled resource blocks within 15 m vertically of a mined pit floor, reflecting the high level of geological and grade confidence.

Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) test work on fines (+1 mm). The heavy media treatment plant reconciliation factors, product yield and recovery are reviewed annually. The Inferred Mineral Resource at Renner West was upgraded to an Indicated Mineral Resource following encouraging in-house HLS metallurgical test work conducted on 3 diamond core holes drilled in late 2019.

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More recent HLS and screened assay analysis, washability, and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF 2 and TSF 3 have been utilised to justify the newly constructed Ultra Fines Plant (UFP). The UFP Rejects Mineral Resource is based surveyed stockpiles and the same metallurgical test work as used to assess the UFP Tailings.

The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. Bootu Creek manganese deposits are located within a well-defined geological setting and this allows definition of mineralised zones based on a high level of geological understanding. The Mineral Resource models have been confirmed by open pit mining since 2006 which reconciles well against the resource estimates.

Mineral Resource estimates are economically constrained within optimised pit shells, utilising Whittle mining software, based on current mining, processing and logistics costs, projected sales revenue, geotechnical and deposit specific analysis of yield and recovery parameters. Mineral Resources are reported as inclusive of Ore Reserves.

Ore Reserve estimation summary:
The Bootu Creek Mine has been operating since 2006 and Ore Reserve statements prior to 2013 were reported under JORC (2004 Edition). OMM upgraded the reporting standard to JORC (2012 Edition) in December 2013 and a summary of the information used since then for the Ore Reserve estimation follows:

All current and planned mining is by open pit mining methods. Open pit slope angles, determined by an Independent Geotechnical Consultant, are at an overall angle, including berms, of 45o to 50o for hanging wall and end walls, and with footwall batter angles not exceeding the local bedding planes.

Conversion of Whittle optimised Mineral Resources pit shells to Ore Reserves is based on open pit designs constrained by those optimised pit shells, practical mining and geotechnical limitations, the application of mining tonnage recovery and grade dilution factors, pit specific processing yield analysis and mining cost parameters.

The current 15% Mn cut-off grade has been affirmed after several years of mining and processing Bootu Creek ore. Manganese product derived from the HMS (Heavy Media Separation) plant feed is not linear in relation to the plant head grade, and product yield either decreases rapidly or fails to produce an acceptable product grade from plant feed below the 15% Mn cut-off grade.

Grade dilution is reviewed each year by reconciliation of the previous year's mined production. The Ore Reserve grade is quoted as a 'diluted' grade and is currently set at 92.5% (unchanged from that used in Dec 2018) of the contributing 'undiluted' Mineral Resource block grade. Mining recovery factors are also reviewed each year from reconciliation of the previous year's mined ore production. The Diluted Tonnage is currently estimated at 100% of the contributing 'undiluted' Mineral Resource block tonnes, for an overall average Metal Recovery Factor of 92.5% (1.00 * 0.925). Dilution is generally derived from adjacent subgrade mineralisation and does contribute to overall metal recovery.

The minimum mining unit is effectively 2.5 m vertically, by 5 m across and 5 m along strike. The minimum drill intersection length applied in the Mineral Resource and Ore Reserve estimation is 3 m and is close to true width. Inferred Mineral Resources have not been utilised nor included in the Ore Reserves.

The only significant deleterious element is Fe and that is managed by blending ore sources or product stockpiles.

There are no significant environmental impacts arising from mining or processing. Waste rock and processing tails are stored on site and are not acid generating. The only additive used in ore processing is ferrosilicon. Bootu Creek is an operating open pit mine site and processing facility. Waste Management Plans for waste rock and tailings storage have been submitted to and have been approved by the Northern Territory Department of Primary Industry and Resources.

Operating costs and sustaining capital are derived from analysis of the current Bootu Creek mining and processing operations and forecasts. Deleterious elements are managed within specified maximum limits and no specific pricing allowance is used. Price discounts are applied for a specified range of lower grade manganese products. Road and rail transportation charges are based on current contracted terms and rates. Refining charges are not relevant and product specification penalties are rare and have not been applied.

Production based royalties are payable to the original project vendor and the Northern Land Council (on behalf of Traditional Owners) and are allowed for in the logistics costing applied in the optimisation process.

Factors effecting revenue include contained dmtu (dry metric tonne units) of manganese and discounts applied for lower than benchmark manganese content or higher than benchmark iron content. Manganese products are sold on an FOB basis from the Port of Darwin. Manganese Price is based on the current and projected price assumption. With adjustments for selling and shipping costs, and product grade discounts, the assumed FOB Darwin price used in the 31 December 2020 Ore Reserve was US$3.30/dmtu for a 26% Mn product grade.

Based on the projected exchange rate of 0.73 (AUD: USD), as at 31 December 2020, the FOB Darwin price assumed for Bootu Creek product was estimated at A$4.52/dmtu. There are no saleable by-products and NPV ranges and sensitivity to variations are not included in the Ore Reserve estimation process.

All necessary agreements and authorities are in place with the Traditional Owners for mining and royalties (via the Northern Land Council), and for heritage clearance and sacred sites (via the Aboriginal Areas Protection Authority).

The Ore Reserve classifications are as follows: Proven Ore Reserves are restricted to in-situ Measured Resources contained within open pit mine designs based on pit shells optimised at the current forecast cost and revenue assumptions, plus surface Ore Stocks. Probable Ore Reserves are restricted to Indicated Resources contained within mine designs based on pit shells optimised at the current forecast cost and revenue assumptions. No Probable Ore Reserves are derived from Measured Resources. The Ore Reserve classification appropriately reflects the Competent Person's view of the deposit.

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JORC (2012 Edition) Table 1
Section 1 Sampling Techniques and Data

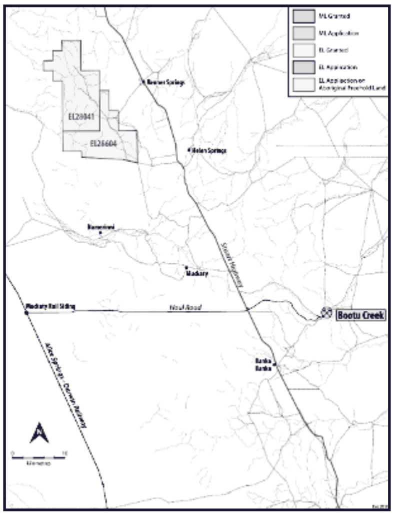
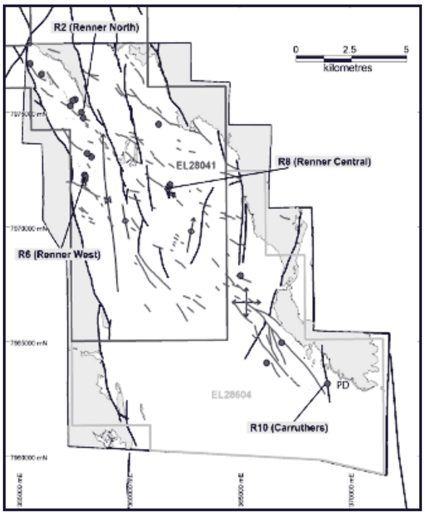
Criteria	Explanation
Sampling Techniques - Nature and quantity of sampling	• Mineral Resources at Bootu Creek ("**BC**") were sampled by 91% Reverse Circulation (RC) and 2% diamond (DD) with 7% open percussion (PC) drilling on a nominal 50m x 25m spaced grid. • The 31 December 2020 **BC** Bootu Creek resource dataset (trimmed to remaining resource models) comprised a total of 682 drill holes for 45,192 metres. The Renner West dataset had 145 drill holes for 6,284 metres. • Collar locations are picked up by Mine Surveyors using MGA94 co-ordinates or by handheld GPS at the Renner Springs project. • RC holes are sampled at 1 metre intervals, rotary split to produce 2-3 kg samples. Sample intervals selected for analysis are generally limited to visible manganese mineralisation and adjacent host rock. Diamond core is submitted for assay as half or quarter core intervals selected by geology and intensity of mineralisation. • All drill samples are crushed, dried and pulverised (total prep) to produce a sub sample for XRF analysis. Mineralised diamond core is quarter sawn to obtain 1 metre or geological intervals for XRF analysis, with half core retained for density determination and metallurgical test work. • Sampling is carried out under OM (Manganese) Ltd ("OMM") protocols to ensure the representivity of drill samples. • Tailings sampling in TSF 1, TSF 2 and TSF 3 at Bootu Creek was undertaken by drilling 49 earth core holes varying in depth from 7 to 12 metres.
Drilling Technique	• RC drilling with 4.5" drill rods and a 5.5" face sampling drill bit. • Diamond core generally drilled using a HQ3 core barrel. • Drilling is predominately vertical, and diamond core drilled prior to 2019 was not oriented. • Holes range from 12 to 156 metres in depth. • Tailings sample holes were drilled utilised a track mounted Power Probe earth core drill.
Drill Sample Recovery	• RC drill sample recovery is visually estimated and recorded in geology drill log. Diamond core recovery is measured and recorded. • RC rods and the sample cyclone are cleared as frequently as required to maintain satisfactory drill sample recovery and representivity. • DD holes use HQ3 size triple tube core barrels to maximise sample recovery. • The mineralisation style and consistency of mineralised intervals are considered to preclude any issue of sample bias due to recovery. • Tailings drill core samples were recovered from 1.2 metre length sample casings.
Logging	• RC chip and diamond drill core samples are geologically logged to the level of detail required to support the Mineral Resource estimate. Logging records lithology, mineralogy, weathering, mineralisation, alteration, colour and other features of the samples. • Geotechnical information is collected from the **BC** operations open pits. • All diamond drill core and tailings earth core are photographed and logged. • The total length of all exploration and resource delineation drilling is logged.
Sub-sampling	• Diamond core assay samples are quarter sawn, oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample. • RC samples are rotary split to produce a sample of approximately 3 kg in weight. High volume, high pressure air is used when RC drilling to ensure the sample return is kept as dry as possible. • RC samples submitted for assay are oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample. • QC procedures involve the use of field duplicates, certified **BC** standards (insertion rate of approx. 1:130) and commercial laboratories standards. • Appropriate industry standard sample preparation techniques and quality control procedures (ISO4296/2) are utilised by the onsite laboratory and offsite commercial laboratories to maximise sample representivity. • Drill sample field duplicates are taken to ensure sampling is representative of the in-situ sample material collected. • Sample sizes are appropriate for the grain size of the material being sampled based on the mineralisation style, intersection thickness and percent assay ranges for the primary elements. • Tailings earth core samples were cut in half lengthways for assay, with the remaining half retained for metallurgical test work.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Quality of assay data and laboratory tests	• The analytical techniques use an XRF multi element suite for assaying Mn, Fe, Al_2O_3, SiO_2, P, Pb, S, TiO2, MgO, K_2O, BaO, CaO, Cu, Zn and Co_3O_4. LOI (loss on ignition) is assessed by thermo-gravimetric determination technique. • No geophysical tools were used to determine any element concentrations used in any of the resource estimates. • Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates. • **BC** independently developed 6 reference standards in 2007 and 2010 for a range of grade values, using blends of Mn, Fe and quartz material. These were sent to 10 commercial laboratories with returned values in the +/-2% range against the expected value. The **BC** standards are submitted with each assay batch and monitored to maintain an independent check on laboratory assays.
Verification of sampling and assaying	• Significant drill intersections are verified by alternative company personnel, generally the Geology Manager for OMM. • Twined holes were used in initial exploration/pre-feasibility phase but are not considered necessary in the current mature mining phase. • Data entry, verification and storage protocols are in place and were managed by a dedicated GIS/ Database Manager and recently by the Geology Manager. • No adjustments of primary assay data (high grade cuts, etc.) are considered necessary.
Location of data points	• Drill collars used for Mineral Resource delineation are surveyed using the mine based DGPS survey equipment. • All locations are picked up and quoted in MGA94 grid format. • Mine lease topography is based on ortho-rectified aerial photography (2013) to produce a DTM based on a 5 metre x 5 metre centred grid with +/- 0.5 metre RL accuracy.
Data spacing and distribution	• Data spacing is generally based on a 50 metre x 25 metre drill grid within the Mineral Resource boundaries. • The data spacing and distribution is close enough to establish the degree of geological and grade continuity appropriate for the Mineral Resource classification being quoted and for the Ore Reserve estimate. • Sample support is consistent with 1 metre RC composite sample length applied and utilised for Mineral Resource estimate.
Orientation of data in relation to geological structure	• The manganese deposits at Bootu Creek are shallow dipping (average dip 30^o–40^o), strata-bound and relatively planar. • Drill orientation is predominately vertical and any interaction with local faults or fold structures is not considered to introduce bias to the sampling results.
Sample Security	• Sample security is not considered a significant risk. • Most exploration samples are processed by the on-site laboratory and results are validated against the drill hole geology logs.
Audit or reviews	• No recent audits or reviews of sampling techniques, other than ongoing internal review, have been conducted. The database was last reviewed by Optiro for the 31 December 2012 Mineral Resource estimate. • Minor infill delineation drilling conducted since that audit (within the remaining resource models) included 5 RC holes in Chugga Far North, 6 RC holes in Shekuma and 11 RC holes in Masai 5.

Section 2 Reporting of Exploration Results

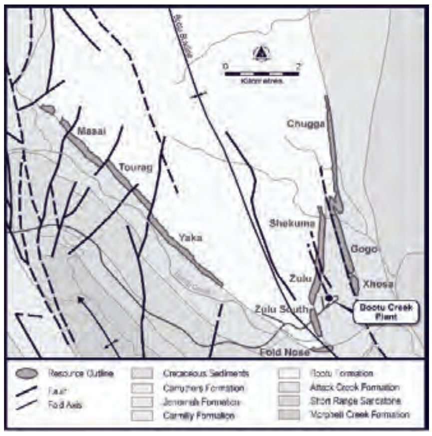
Criteria	Explanation
Mineral tenement and land tenure status	• The relevant tenements for 2019/2020 exploration were EL28041 and EL28604, collectively referred to as the Renner Springs project. • Follow up RC drilling planned for 2020 has since been deferred until 2021. • The tenements were granted in 2010 and 2011 respectively and are 100% owned by OMM with no security of tenure issues at the time of reporting.
Exploration done by other parties	• Keys Resources NL were the last to explore the Renner Springs area, intersecting 9m at 36.7% Mn in percussion hole W38. (Ferenczi, 2001).

Criteria	Explanation
Geology	• The Renner Springs project is predominately located within the Namerinni Group in the Ashburton Province of the Tennant Creek Inlier. The favourable manganese bearing horizon is hosted principally by the Shillinglaw Formation. • The Renner Springs manganese horizons are generally shallow dipping and present with a breccia/ conglomerate texture in low outcrops. • The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formations in the Tomkinson Group, within the Ashburton Province of the Palaeozoic.
Drill hole Information	• 3 HQ3 diamond core holes were drilled at the Renner West deposit and 6 RC holes drilled at the recently discovered Carruthers North prospect in 2019. • Refer to the accompanying Table 1 on page 30 of this announcement for details of sample locations and assay results.
Data aggregation methods	• Reported assays are length weighted with no top-cuts applied. • No metal equivalents are used for reporting exploration results.
Relationship between mineralisation width and intercept length	• The diamond drill program was undertaken to provide core for metallurgical test work at the Renner West Mineral Resource. • The 2019 RC drill program was a first pass test of a low laying manganese outcrop, discovered while ground checking a gradient array IP anomaly. • The intersections are quoted as drill intersection lengths, as the dip of the mineralisation is yet to be confirmed.
Diagrams	• The Renner West Mineral Resource is located at R6 in figure below. • The Carruthers North prospect referred in this announcement is located midway between prospects R8 and R10 shown in the figure below.  
Balanced reporting	• All results are reported when publishing exploration reports.
Further work	• Follow up RC drilling is planned for the Carruthers North prospect in 2021.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	• Location data was imported from DGPS export files. • Assay data was imported from the original laboratory issued csv files. • All exploration drill data was moved to an Access database in 2017 and all new drill hole data is uploaded to that database utilising customised mine site software. • Geology logs are validated for errors on import, locations checked, and assay data quality is ensured by use of lab and field standards. Further internal validation for duplication, overlaps, etc is carried out using Surpac software prior to any resource estimation.
Site visits	• The Mineral Resource is located within an active mine camp and is visited regularly by OMM Competent Persons.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Geological Interpretation	• There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and over 13 years of active mining at this mature mining operation. • Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and mineral product (gravity concentrate) samples. • The geological controls at BC are well understood from ongoing mining activity and form the basis for the resource interpretations. • Factors affecting continuity of grade and geology include local high and low angle faulting, local internal and adjacent high Fe associated with faulting, and the intensity and depth of supergene alteration from weathering. • The geological interpretation is refined on an ongoing basis following the review of close spaced grade control sampling and in pit observation and mapping of second order fault structures not modelled in the original broader spaced resource delineation drilling. • This figure is inserted for reference to geological setting and deposit locations at Bootu Creek. 
Dimensions	• The Bootu Creek manganese resource models have a combined strike length of 16km, with individual models ranging from 0.7 km to 2.9 km • Bootu Creek resource models are generally limited in vertical depth by economic constraints (imposed by strip ratios and cost of mining), by faulting or by the depth of weathering and supergene alteration, rather than a depth termination of the mineralisation. • Individual resource model depth extents range from 50 metres to 120 metres below surface. All mining is by open pit. • Bootu Creek resource model widths (true width) range from the minimum width of 3 metres to a maximum of around 15 metres. • The Renner West manganese deposit extends over a strike length of 450 metres and to a depth of around 25 metres below surface.
Estimation and modelling techniques	• Estimation and modelling undertaken by independent resource consultants Optiro Pty Ltd, and since updated by OMM technical staff. • Resource models are digitised and wire-framed from interpreted geological and assay drill cross sections prepared by OMM. These wireframes are used to select resource intersections and composite data is extracted for Mn, Fe, SiO_2, Al_2O_3, BaO and P based on one metre sample increments. • 'Supervisor' geostatistical software was used for continuity analysis to determine variograms for grade estimation. Optiro found that the 10% Mn population generated more robust variograms with lower nugget effects that were applied to the resource composite data during estimation. • The nugget effect from variography was found to represent only 20-30% of the total variability, suggesting a low inherent random behaviour for the manganese mineralisation and no grade capping is warranted. • Block models are estimated using Ordinary Kriging (OK), using Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and for OMM survey pit pickups. • Block Model Parent Cells are 25 metres (Y) by 10 metres (X) by 5 metres (Z) and compare favourably with maximum drill spacing of 50 metres x 25 metres or 40 metres x 20 metres and with along strike search radius varying from 130 metres in the shorter or faulted models through to 290 metres for the highly continuous Chugga-Gogo. • The number of samples is set at a minimum of 15 and a maximum of 32 for passes 1 & 2. The pass 3 minimum was set to 2 samples to fill model extents. • Search ranges varied from 130 metres up to 290 metres in deposits of up to 2.9 km strike length. The search ellipsoids are flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains. • Geological interpretation prepared by OMM has been used to construct digital wireframes and control assay extraction from the database but are not otherwise used to control the resource estimate. • The only assumed correlation between variables is that used for the density regression calculated against manganese grade. There is a noted inverse relationship between manganese vs silica and Al2O3. There is a variable relationship between manganese and iron and correlations between other elements were poor. • No selective mining units were assumed in the estimates. • Graphical 3D validation of block grades versus composite samples, used to compare modelled grade trends against the spatial distribution of the samples, demonstrated that estimated low and high grades were consistent with the composite samples. Density was also checked to confirm interpolated block values honour the regression formulas.

Criteria	Explanation
	• Validation swathe plots by Optiro show that the block model estimated grades honoured local grades. All volumetric checks are within 1% of wireframes. • The significant elements specific to product quality are assayed and modelled with the only potential issue being high Fe content in product, which is managed in the mine plan. • Mineral Resource estimates are depleted for mining up to 31 December 2020 and reported above a cut-off grade of 15% Mn.
Moisture	• All tonnage is estimated on a dry tonnes' basis.
Cut-off parameters	• The current 15% Mn cut-off grade has been affirmed after several years of processing Bootu Creek ore. Manganese product derived from the DMS (gravity) plant is not linear in relation to head grade and product yield and/or product grade decreases rapidly below the current cut-off grade. • Low grade mineralisation, grade controlled between 10% - 15% Mn and mined outside of the Mineral Resource blocks, has been stockpiled for processing since February 2020. • The low grade stockpiles have been included in the Mineral Resource and Ore Reserve inventory from the beginning of 2020.
Mining factors or assumptions	• The Mineral Resource estimates were optimised by OMM technical staff utilising Whittle mining software to limit economic open pit extents based on long term revenue, mining, processing and logistic parameters set by OMM. • All mining is, or is proposed, by open pit mining methods. • Parameters for determining economic extraction are based on data derived from the current mining and processing operations at Bootu Creek.
Metallurgical factors and assumptions	• Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) on fines. • More recent HLS and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF 2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). • The UFP Rejects Mineral Resource is based on surveyed stockpiles and the same metallurgical test work as used to assess the UFP Tailings. • Plant factors including product yield and recovery are reviewed annually. • Product yield assumptions for resource optimisation are now based on statistical analysis of the resource delineation drill sample grade distribution, on a pit by pit basis, with due attention to the extent of weathering. • Average grade is no longer considered a reliable indicator of product yield. • 3 HQ3 diamond core holes drilled at the end of 2019, to test the metallurgical character of the Renner West deposit, have since been tested by onsite HLS testing, confirming the high grade product and yield characteristics of the mineralisation. • The Mineral Resource for the Renner West deposit has since been upgraded to an Indicated Mineral Resource.
Environmental factors or assumptions	• Bootu Creek in an operating mine site and processing plant with Mine Management Plans submitted and approved for waste rock and tailings storage by the Northern Territory Department of Primary Industry and Resources. • No significant sulphides are present in the ore or mine waste.
Bulk Density	• Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the Ore Reserve. • The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six individual density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option.
Classification	• Measured Mineral Resource – this classification is restricted to well drilled resource blocks located within 15 metres (vertical) of a mined pit floor, reflecting a high level of geological and grade confidence. • Indicated Mineral Resource – classified based on established grade and geological continuity defined by the tabular nature of the Bootu Creek mineralised zones, the regular drill spacing of 50 metres x 25 metres or better, estimation parameters such as kriging efficiency and the demonstrated mining history in most of the deposits . • The Mineral Resource estimate appropriately reflects the view of the Competent Persons. • All OMM Mineral Resources are economically constrained on an annual basis by optimised pit shells using updated OMM cost, revenue and physical parameters (see Mining Factors and Assumptions).

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Audits and reviews	• Independent resource consultant Optiro Pty Ltd conducted a Client Review of wireframes, block models, classification criteria, volumetric comparison, composite versus block model grades and XYZ plots on the Mineral Resource estimate for 31 December 2013. • No new resource delineation drilling, with the exception of 23 RC infill holes drilled in 2017 and 2018, have been added since that Mineral Resource estimate and the only changes applied in the current Mineral Resource estimate process are to account for updated pit optimisation parameters, product yield estimation, mine depletion and/or pit backfill and to update geological interpretation based on minor faults observed during mining activity.
Discussion of relative accuracy/confidence	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • The statement relates to global estimates of tonnes and grades. • Annual reconciliation compares mine production with pre-mining Mineral Resource estimates, and to update mining factors and assumptions.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	Explanation
Mineral Resource estimate for conversion to Ore Reserves	• 31 December 2020 Mineral Resource models were optimised using Whittle mining software to limit economic open pit extents utilising OMM updated mining, processing and logistics costs and physical parameters, and revenue assumptions. • Open pit designs further constrained the above optimised Mineral Resource models with constraints such as minimum cut back width, practical waste rock storage, pit access and ramp location options. • Mineral Resources quoted are reported as **inclusive** of Ore Reserves.
Site visits	• The Ore Reserve is located within an active mine camp and is visited regularly by the Competent Persons.
Study status	• Bootu Creek manganese mine commenced production in 2006 and is an ongoing, mature manganese mining operation. • Conversion of Mineral Resources to Ore Reserves in based on parameters derived from analysis of current operating practices, technical studies, and ongoing mine and processing performance.
Cut-off parameters	• The current 15% Mn cut-off grade has been affirmed after several years of mining and processing Bootu Creek ore. Manganese product derived from the DMS (Dense Media Separation) plant feed is not linear in relation to the plant head grade and product yield either decreases rapidly or fails to produce an acceptable product grade below the 15% Mn cut-off grade.
Mining factors or assumptions	• The Mineral Resource estimates were optimised utilising Whittle mining software to limit economic open pit extents based on long term revenue, mining, processing and logistic parameters set by OMM. • All current and planned mining is by open pit mining methods. • Geotechnical parameters including batter angles and berm widths and intervals were recommended by independent mining consultants Coffey Mining Pty Ltd and more recently by Absolute Geotechnics Pty Ltd following ongoing review of BC mining operations. • Open pit slope angles, determined by an Independent Geotechnical Consultant are at an overall slope angle, including of 45o to 55o for hanging wall and end walls, and with footwall batter angles not exceeding the local bedding planes. • 6 HQ3 diamond core holes were drilled in 2019 for geotechnical assessment of proposed Shekuma and Chugga Far North pits. • 3 HQ3 diamond core holes were drilled in 2020 for geotechnical assessment of the high wall for the proposed Tourag cutback. • 15 piezometer holes were drilled as part of the geotechnical assessment for Masai, Chugga Far North, Shekuma and Tourag pits. • Diluted Grade is reviewed each year by reconciliation of the previous year's mine production. The Ore Reserve grade is quoted as a 'diluted' grade and is currently set at 92.5% of the contributing 'undiluted' Mineral Resource block grades. • Mine Recovery is also reviewed each year by reconciliation of the previous year's mine production. The Mine Tonnage Factor is currently estimated at 100% (inclusive of dilution) of the contributing 'undiluted' Mineral Resource block tonnes. • Minimum mining unit is effectively 2.5 metres vertically by 5 metres across and 5 metres along strike. The minimum drill intersection length applied in the Mineral Resource and Ore Reserve estimate is 3 metres and is close to true width. • Inferred Mineral Resources have not been utilised nor included in Ore Reserves. • Bootu Creek in a mature manganese mining and processing operation with all necessary mining infrastructures in place.

Criteria	Explanation
Metallurgical factors or assumptions	• The HMS treatment plant has been in operation since 2006 and has since been modified to maximise tonnes processed, product yield and manganese recovery. • The heavy media plant is well-tested technology and well suited to the manganese ores being processed. • Metallurgical test work was conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) test work on fines. • More recent HLS and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF 2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). • The only significant deleterious element is Fe and that is managed by blending ore sources or product stockpiles. • Plant reconciliation factors are reviewed annually and factors including product yield and manganese recovery are updated annually. • Yield assumptions for HMS plant feed are estimated on an individual pit basis, based on a statistical analysis of the resource delineation drill sample grade distribution constrained by each pit design and the intensity of weathering, to estimate likely product yield and grade from that source. Average grade is no longer considered a reliable indicator of product yield. • Manganese oxide mineralogy is not relevant for the Ore Reserve estimate.
Environmental	• There are no significant environmental impacts arising from mining or processing. Waste rock and processing tails are stored on site are not acid generating. The only additive used in ore processing is ferrosilicon. • Bootu Creek in an operating mine site and processing plant with Waste Management Plans submitted for waste rock and tailings storage and approved by the Northern Territory Department of Primary Industry and Resources.
Infrastructure	• Bootu Creek mine site in a mature manganese mining and processing operation with all mining, processing, rail and port infrastructure in place and operational.
Costs	• All major capital projects are completed and operational. • Operating costs and sustaining capital are derived from analysis of the 2020 Bootu Creek mining and processing operations and the 2021 budget. • Deleterious elements are managed within specified maximum limits and no specific pricing allowance is used. Price discounts are applied for a specified range of lower grade manganese products. • Commodity prices are discussed in Revenue factors. • Exchange rates are discussed in Revenue factors. • Road and rail transportation charges are based on contracted terms and rates. • Refining charges are not relevant and product specification penalties are rare and have not been applied. • Royalties are payable to the original project vendor and the Northern Land Council (on behalf of Traditional Owners). The Northern Territory government royalty is on a net value basis (considered as a "tax") and as such is not included in the optimisation process. • Royalty charges are allowed for in project costing and applied in the pit optimisation process.
Revenue factors	• Manganese products are sold on an FOB basis from the Port of Darwin. • Factors effecting revenue include contained dmtu (dry metric tonne units) of manganese, and discounts for lower than benchmark manganese. • Commodity price assumptions are based on the forecast for Mn - CIF China GEMCO 44% with adjustments for selling and shipping costs, and for discounts specific to **BC** product grade and size specifications to derive an FOB Darwin price of US$3.30/dmtu for the current 26% Mn product grade. • Exchange rate (AUD: USD) assumption is based on an exchange rate of 0.73 (Dec 2020), for a forecast FOB Darwin price of A$4.52/dmtu. • There are no saleable by-products.
Market assessment	• Demand, supply, stock and future volume assumptions for manganese are considered in the 3year price forecast. • Customer and competitor factors are considered in the 3-year manganese price forecast. • Customer specification, testing and acceptance rely on an inbound assay. • Occasional minor penalties may apply but are not included in the Ore Reserve estimate.
Economic	• NPV ranges and sensitivity to variations are not included in the Ore Reserve estimation process.
Social	• All necessary agreements and authorities are in place with Traditional Owners for mining and royalties (via the Northern Land Council) and for heritage clearance and sacred sites (via the Aboriginal Areas Protection Authority).
Other	• The only significant naturally occurring risk is delays incurred from cyclone related flooding of the mine site or railway line to Darwin. • All material legal agreements and marketing arrangements are in place. • All government approvals (including the Mine Management Plan and Mineral Lease), licences, clearances and bonds necessary to operate the Bootu Creek mine site and processing plant are in place.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Classification	• Proven Ore Reserves are restricted to in-situ Measured Resources contained within mine designs based on pit optimisation at the current budget cost and revenue assumptions, plus surface Ore Stocks. • Probable Ore Reserves are restricted to Indicated Resources contained within mine designs based on pit optimisation at the current budget cost and revenue assumptions. • The Ore Reserve classification appropriately reflects the Competent Person's view of the deposit. • No Probable Ore Reserves are derived from Measured Resources.
Audits and reviews	• There has been no independent audit of the 31 December 2020 Ore Reserve estimates.
Discussion of relative accuracy/confidence	• Annual reconciliation of mined Ore Reserve blocks is used to compare mine production with the mined Ore Reserve estimates and were used to update the mining recovery and dilution factors applied to the 31 December 2020 Ore Reserve estimation process.

Table 1.
Drilling Results - Renner West (using a cut-off grade of 15% Mn)

Hole ID	Easting mE	Northing mN	RL (m) approx.	Azimuth & Dip	Hole Depth (m)	Interval From (m)	Interval To (m)	Interval Width (m)	Mn %	Fe %
RSDD001	358071	7971873	279	-90	26.9	2.90	3.30	0.40	22.39	1.74
						4.00	8.80	4.80	27.63	4.76
						10.00	11.00	1.00	30.15	1.51
						20.40	21.20	0.80	20.75	20.88
RSDD002	358022	7971998	278	-90	27.6	4.60	7.30	2.70	28.20	11.88
						10.20	11.20	1.00	42.10	2.00
						15.50	15.60	0.10	49.17	0.76
						18.10	21.30	3.20	33.65	3.11
RSDD003	358008	7972120	275.5	-90	17.1	0.00	2.20	2.20	19.79	4.18
						2.60	6.80	4.20	26.81	4.81
						6.80	11.10	4.30	33.98	3.60
						12.60	13.40	0.80	39.54	0.96

Table 2.
Drilling Results - Carruthers North Prospect (using a cut-off grade of 15% Mn)

Hole ID	Easting mE	Northing mN	RL (m) approx.	Azimuth & Dip	Hole Depth (m)	Interval From (m)	Interval To (m)	Interval Width (m)	Mn %	Fe %
RSRC0321	366096	7965923	275	-90	61	0	7	7	27.67	5.5
						15	16	1	25.16	21.4
						38	40	2	37.41	5.5
RSRC0322	366112	7965924	275	-90	56				nsv	
RSRC0323	366089	7965979	275	-90	67	0	5	5	24.22	7.4
RSRC0324	366106	7965983	275	-90	55	14	15	1	18.75	9.1
RSRC0325	366083	7966016	275	-90	61				nsv	
RSRC0326	366120	7965955	275	-90	49	6	7	1	26.84	13.4

nsv - no significant value

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of OM Holdings Limited ("the Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company in office at the date of this statement were:

Low Ngee Tong	(Executive Chairman and Chief Executive Officer)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director and Joint Company Secretary)
Tan Peng Chin	(Independent Non-Executive Director)
Thomas Teo Liang Huat	(Independent Non-Executive Director)
Peter Church OAM	(Independent Non-Executive Director)

In accordance with Bye-law 88(1) of the Company's Bye-laws, one-third of the Directors (excluding the Chief Executive Officer) retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2020

Directors' interests in shares

None of the Directors who held office at the end of the financial year had any interests in the shares of the Company or its related corporation, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2020	**As at 31.12.2020**	As at 1.1.2020	**As at 31.12.2020**
The Company -				
	Number of ordinary shares fully paid			
Low Ngee Tong	67,855,828	**68,110,631**	–	**–**
Julie Anne Wolseley	5,562,002	**5,562,002**	–	**–**
Tan Peng Chin	(1) 2,020,000	**(1) 2,020,000**	–	**–**
Peter Church OAM	–	**–**	(2) 94,262	**(2) 94,262**

Note:

(1) 720,000 (2019 - 720,000) shares are held by DBS Vickers Securities (Singapore) Pte Ltd on behalf of Mr Tan Peng Chin.

(2) These shares are held directly by a company named Murmeli Pty Limited Superannuation Fund in which the Director has a relevant interest.

Shares Options

No options were granted during the financial year to take up unissued shares of the Company or any corporation in the Group.

No shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprised the following members:

Thomas Teo Liang Huat (Chairman)
Julie Anne Wolseley
Zainul Abidin Rasheed
Peter Church OAM

The Audit Committee performs the functions set out in the Audit Committee Charter available on the Company's website. The Company has also considered the fourth edition of the Corporate Governance Principles and Recommendations with relevant amendments developed by the ASX Corporate Governance Council. In performing those functions, the Audit Committee has reviewed the following:

i. overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluations of the Company's system of internal accounting controls;

ii. the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and

iii. the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 as well as the auditor's report thereon.

Audit Committee (Cont'd)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept the re-appointment.

On behalf of the Directors

LOW NGEE TONG
Executive Chairman

Dated: 15 March 2021

INDEPENDENT AUDITOR'S REPORT

to the members of OM Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of OM Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Professional Conduct and Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter:	**Risk:**	**Our response and work performed:**
Impairment of non-financial assets	The Group's non-financial assets comprise property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets amounting to A$642.7 million as at 31 December 2020. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on certain key assumptions, such as cash flow projections covering a five-year period and the perpetual growth rate and discount rate per cash generating unit (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. These assumptions which are determined by management, including the impact from the COVID-19 pandemic, are judgmental. In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets; mining or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Due to the uncertain global economic environment, there are higher inherent risks relating to the impairment of the Group's non-financial assets.	Our audit procedures included among others, assessing appropriateness of CGUs identified by management, evaluating management's assessment for impairment indications, reviewing the valuation model and assumptions used, and challenging management's assumptions in our evaluation of the model. We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment exist. In the assessment of impairment, the Group takes into account the indicative open market prices of the finished products from independent experts and publication reports, and uses inputs, such as market growth rate, weighted average cost of capital and other factors, typical of similar mining and smelting industries. Senior management has applied its knowledge of the business in its regular review of these estimates. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets are included in Notes 4, 5, 6, 7 and 9 to the financial statements respectively.

Key Audit Matters (Cont'd)

Key audit matter:	Risk:	Our response and work performed:
Recognition of deferred tax assets	The Group recognised deferred tax assets based upon unutilised tax losses and other temporary differences. The Group exercised its judgement to determine the amount of deferred tax assets that can be recognised, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. As at 31 December 2020, the Group recognised deferred tax assets and deferred tax liabilities of A$13.8 million and A$1.2 million respectively. In addition, the Group has unrecorded deferred tax assets of A$2.9 million as at 31 December 2020.	Our audit procedures included among others, discussions with the component auditors to understand the local tax regulations and their work performed on the recognition of deferred tax assets. We have also assessed the profit forecast to evaluate the reasonableness of the recognition of deferred tax assets. We discussed with the Group's key management and considered their views on the Group's recoverability of deferred tax assets, including the impact from the COVID-19 pandemic, to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's deferred tax assets and liabilities are included in Note 10 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. The annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of those charged with governance include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ho Teik Tiong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
15 March 2021

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2020

		The Company		The Group	
		31 December	31 December	**31 December**	31 December
		2020	2019	**2020**	2019
	Note	**A$'000**	A$'000	**A$'000**	A$'000
Assets					
Non-Current					
Property, plant and equipment	4	**-**	-	**612,684**	698,406
Land use rights	5	**-**	-	**8,922**	9,920
Exploration and evaluation costs	6	**-**	-	**2,326**	963
Mine development costs	7	**-**	-	**16,726**	23,363
Investment property	8	**-**	-	**574**	642
Right-of-use assets	9	**-**	-	**1,992**	7,131
Deferred tax assets	10	**-**	-	**13,788**	11,392
Interests in subsidiaries	11	**142,117**	144,621	**-**	-
Interests in associates	12	**-**	-	**126,832**	116,358
Other investment	13	**-**	-	**1,888**	-
		142,117	144,621	**785,732**	868,175
Current					
Inventories	14	**-**	-	**216,307**	228,275
Trade and other receivables	15	**12,553**	18,325	**62,992**	37,809
Capitalised contract costs	16	**-**	-	**1,856**	1,015
Prepayments		**88**	118	**3,528**	3,754
Cash and bank balances	17	**42**	31	**63,031**	63,712
		12,683	18,474	**347,714**	334,565
Total assets		**154,800**	163,095	**1,133,446**	1,202,740
Equity					
Capital and Reserves					
Share capital	18	**36,931**	36,931	**36,931**	36,931
Treasury shares	19	**(2,330)**	(2,330)	**(2,330)**	(2,330)
Reserves	20	**48,308**	59,462	**365,042**	390,277
		82,909	94,063	**399,643**	424,878
Non-controlling interests		**-**	-	**68,596**	82,990
Total equity		**82,909**	94,063	**468,239**	507,868
Liabilities					
Non-Current					
Borrowings	21	**-**	15,029	**288,279**	385,549
Lease liabilities	22	**-**	-	**415**	1,102
Trade and other payables	23	**-**	-	**54,791**	60,230
Provisions	24	**-**	-	**10,869**	14,453
Deferred tax liabilities	10	**-**	-	**1,229**	1,237
Deferred capital grant	25	**-**	-	**10,730**	12,605
		-	15,029	**366,313**	475,176
Current					
Trade and other payables	23	**57,888**	54,003	**155,760**	113,168
Provisions	24	**-**	-	**1,806**	-
Contract liabilities	26	**-**	-	**6,064**	4,859
Borrowings	21	**14,003**	-	**126,766**	88,369
Lease liabilities	22	**-**	-	**1,255**	5,990
Deferred capital grant	25	**-**	-	**736**	809
Income tax payables		**-**	-	**6,507**	6,501
		71,891	54,003	**298,894**	219,696
Total liabilities		**71,891**	69,032	**665,207**	694,872
Total equity and liabilities		**154,800**	163,095	**1,133,446**	1,202,740

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2020

	Note	**Year ended 31 December 2020 A$'000**	Year ended 31 December 2019 A$'000
Revenue	3	**784,633**	1,026,454
Cost of sales		**(688,371)**	(874,001)
Gross profit		**96,262**	152,453
Other income	27	**6,756**	4,334
Distribution costs		**(41,661)**	(47,692)
Administrative expenses		**(15,924)**	(20,383)
Other operating expenses		**(37,787)**	(27,952)
Finance costs	28	**(28,827)**	(32,220)
(Loss)/profit from operations		**(21,181)**	28,540
Share of results of associates		**16,525**	30,381
(Loss)/profit before income tax	28	**(4,656)**	58,921
Income tax	29	**1,718**	(2,849)
(Loss)/profit for the year		**(2,938)**	56,072
Other comprehensive income/(loss), net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to owners of the Company)		**(24,160)**	412
Cash flow hedges	30	**1,253**	919
		(22,907)	1,331
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		**(6,417)**	(427)
		(6,417)	(427)
Other comprehensive (loss)/income for the year, net of tax		**(29,324)**	904
Total comprehensive (loss)/income for the year		**(32,262)**	56,976
Profit/(loss) attributable to:			
Owners of the Company		**5,352**	56,641
Non-controlling interests		**(8,290)**	(569)
		(2,938)	56,072
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(17,868)**	57,742
Non-controlling interests		**(14,394)**	(766)
		(32,262)	56,976
Profit per share		**Cents**	Cents
- Basic	31	**0.73**	7.69
- Diluted	31	**0.73**	7.69

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2020

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2020	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(5,851)**	**30,181**	**162,652**	**424,878**	**82,990**	**507,868**
Profit/(Loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,352**	**5,352**	**(8,290)**	**(2,938)**
Other comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**940**	**(24,160)**	**-**	**(23,220)**	**(6,104)**	**(29,324)**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**940**	**(24,160)**	**5,352**	**(17,868)**	**(14,394)**	**(32,262)**
Dividends paid (Note 20(viii))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,367)**	**(7,367)**	**-**	**(7,367)**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,367)**	**(7,367)**	**-**	**(7,367)**
At 31 December 2020	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(4,911)**	**6,021**	**160,637**	**399,643**	**68,596**	**468,239**

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2019	36,931	(2,330)	178,363	8,868	15,444	(6,540)	29,769	128,112	388,617	62,508	451,125
Profit/(Loss) for the year	-	-	-	-	-	-	-	56,641	56,641	(569)	56,072
Other comprehensive income/(loss) for the year	-	-	-	-	-	689	412	-	1,101	(197)	904
Total comprehensive income/(loss) for the year	-	-	-	-	-	689	412	56,641	57,742	(766)	56,976
Dividends paid (Note 20(viii))	-	-	-	-	-	-	-	(22,101)	(22,101)	(1,228)	(23,329)
Capital injection from non-controlling interest shareholder	-	-	-	-	-	-	-	-	-	22,476	22,476
Write off of warrants	-	-	-	-	620	-	-	-	620	-	620
Transactions with owners	-	-	-	-	620	-	-	(22,101)	(21,481)	21,248	(233)
At 31 December 2019	36,931	(2,330)	178,363	8,868	16,064	(5,851)	30,181	162,652	424,878	82,990	507,868

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2020

	Note	**Year ended 31 December 2020 A$'000**	Year ended 31 December 2019 A$'000
Cash Flows from Operating Activities			
(Loss)/profit before income tax		**(4,656)**	58,921
Adjustments for:			
Amortisation of land use rights	5, 28	**206**	204
Amortisation of deferred capital grant	25, 28	**(817)**	(814)
Amortisation of mine development costs	7, 28	**6,505**	5,147
Depreciation of property, plant and equipment	4, 28	**43,285**	42,369
Depreciation of right-of-use assets	9, 28	**5,644**	6,156
Depreciation of investment property	8, 28	**11**	11
Write off of exploration and evaluation costs	6, 28	**-**	2,706
Write off of property, plant and equipment	28	**36**	121
Fair value gain on other investment	27	**(1,388)**	-
Write off of warrants	20, 28	**-**	620
Loss on disposal of property, plant and equipment	28	**-**	121
Lease modification	28	**296**	-
Unwinding of discount on non-current trade payables	28	**268**	1,128
Reclassification from hedging reserve to profit or loss	30	**1,253**	919
Write-down of inventories to net realisable value	14, 28	**3,397**	-
Impairment loss on trade and other receivables	15, 28	**-**	278
Interest expense	28	**28,827**	32,220
Interest income	27	**(691)**	(898)
Share of results of associates		**(16,525)**	(30,381)
Operating profit before working capital changes		**65,651**	118,828
Decrease in inventories		**4,196**	38,994
(Increase)/Decrease in trade receivables		**(11,397)**	44,860
(Increase)/Decrease in capitalised contract costs		**(534)**	1,754
(Increase)/Decrease in prepayments, deposits and other receivables		**(631)**	7,208
Increase in contract liabilities		**765**	1,859
Increase/(Decrease) in trade payables		**28,605**	(71,576)
Decrease in other payables		**(2,049)**	(17,548)
(Decrease)/Increase in provisions		**(1,646)**	4,522
Cash generated from operations		**82,960**	128,901
Income tax paid		**(6,401)**	(30,199)
Net cash generated from operating activities		**76,559**	98,702
Cash Flows from Investing Activities			
Payments for exploration and evaluation costs	6	**(1,363)**	(1,861)
Payments for mine development costs	7	**-**	(4,522)
Purchase of property, plant and equipment	4	**(15,490)**	(76,564)
Proceeds from disposal of property, plant and equipment		**-**	95
Purchase of other investment		**(500)**	-
Dividend received from an associate		**6,048**	40,362
Interest received	27	**691**	898
Net cash used in investing activities		**(10,614)**	(41,592)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

	Year ended 31 December 2020 A$'000	Year ended 31 December 2019 A$'000
Cash Flows from Financing Activities		
Repayment of bank and other loans (Note A)	**(33,185)**	(67,594)
Proceeds from bank and other loans (Note A)	**12,972**	23,081
Principal repayment of lease liabilities (Note A)	**(6,241)**	(6,415)
Capital contribution by non-controlling interest shareholder	**-**	22,476
Increase in cash collateral	**(2,268)**	(2,039)
Dividend paid	**(7,367)**	(23,329)
Interest paid (Note A)	**(30,013)**	(33,664)
Net cash used in financing activities	**(66,102)**	(87,484)
Net decrease in cash and cash equivalents	**(157)**	(30,374)
Cash and cash equivalents at beginning of the year	**48,900**	79,046
Exchange difference on translation of cash and cash equivalents at beginning of the year	**(2,792)**	228
Cash and cash equivalents at end of the year (Note 17)	**45,951**	48,900

Note A Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of items for which cash flows have been, or will be, classified as financing activities, excluding equity items:

					Non-cash changes				
	1 January 2020 A$'000	**Cash inflows A$'000**	**Cash outflows A$'000**	**Interest paid A$'000**	**Lease modification A$'000**	**New leases A$'000**	**Foreign exchange difference A$'000**	**Interest expense A$'000**	**31 December 2020 A$'000**
Lease liabilities	**7,092**	**-**	**(6,241)**	**(306)**	**(64)**	**960**	**(77)**	**306**	**1,670**
Borrowings - bank and other loans	**473,918**	**12,972**	**(33,185)**	**-**	**-**	**-**	**(40,894)**	**2,234[(1)]**	**415,045**
Trade and other payables - Interest payables	**7,112**	**-**	**-**	**(29,707)**	**-**	**-**	**-**	**26,287**	**3,692**

(1) This is related to the amortisation of borrowing cost classified as "finance cost" in the Consolidated Statement of Comprehensive Income.

					Non-cash changes				
	1 January 2019 A$'000	Cash inflows A$'000	Cash outflows A$'000	Interest paid A$'000	Adoption of IFRS 16 A$'000	New leases A$'000	Foreign exchange difference A$'000	Interest expense A$'000	31 December 2019 A$'000
Lease liabilities	-	-	(6,415)	(591)	6,495	6,964	48	591	7,092
Borrowings - bank and other loans	511,834	23,081	(67,594)	-	-	-	6,597	-	473,918
Trade and other payables - Interest payables	8,556	-	-	(33,073)	-	-	-	31,629	7,112

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

1 General information

The financial statements of the Company and of the Group for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company listed on the Australian Securities Exchange and is domiciled in Bermuda.

The registered office is located at Clarendon House, 2 Church Street Hamilton, HM11 Bermuda.

2(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collectively includes all applicable individual IFRSs and Interpretations approved by the International Accounting Standard Board ("IASB"), and all applicable individual International Accounting Standards ("IASs") and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Australian Dollar which is the Company's functional currency. All financial information is presented in Australian Dollar, unless otherwise stated.

As at 31 December 2020, the Company has net assets of A$82,909,000 (2019: A$94,063,000) and net current liabilities of A$59,208,000 (2019: A$35,529,000). Included in the Company's current liabilities as at 31 December 2020 are a non-trade amount owing to OM Materials (S) Pte Ltd ("OMS"), a wholly-owned subsidiary, of A$55,093,000 (2019: A$52,031,000) and a 5% Convertible Note (Note 21.2) of A$14,003,000 due on 6 March 2021 (2019: $15,029,000 classified under non-current liabilities). As at the date of these financial statements, the 5% Convertible Note has been repaid in full by OMS on behalf of the Company, and OMS has provided a letter of undertaking that it shall provide continuing financial support to the Company, including not demanding immediate repayment for debts owing to OMS. Therefore, the Company is of the view that the preparation of financial statements on a going concern basis is appropriate.

Impact of COVID-19

The ongoing and evolving Coronavirus Disease ("COVID-19") pandemic has had a significant impact on the global economy and the economies of the countries in which the Group operates. There is significant uncertainty as to the duration of the pandemic and its impact on those economies. In regard to the Group, the consideration of COVID-19 has been in the following areas:

- Impairment of non-financial assets (Notes 4, 5, 6, 7 and 9)
- Recognition of deferred tax assets (Note 10)
- Allowance for expected credit losses of trade and other receivables (Note 15)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Significant judgements in applying accounting policies

Income taxes (Note 29)

The Group has exposures to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Significant judgements in applying accounting policies (cont'd)

Allowance for expected credit losses (ECL) of trade and other receivables (Note 15)

Allowance for ECL of trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Company and the Group adopt a simplified approach and use a provision matrix to calculate ECL for receivables which are trade in nature. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

The Company and the Group apply the 3-stage general approach to determine ECL for receivables which are non-trade in nature. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Company considers qualitative and quantitative reasonable and supportable forward looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

Deferred tax assets (Note 10)

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income.

Determination of cash-generating units (CGU) for non-financial assets

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets; mining or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Management has identified the appropriate CGU level to be the mine or smelting plant together with their direct processing assets at the same location.

Critical assumptions used and accounting estimates in applying accounting policies

Impairment of non-financial assets

Non-financial assets comprise property, plant and equipment (Note 4), land use rights (Note 5), exploration and evaluation costs (Note 6), mine development costs (Note 7) and right-of-use assets (Note 9). Determining whether the carrying value is impaired requires an estimation of the value in use of the cash-generating units. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of cash flows. Management has performed the impairment test and assessed that no impairment was required. The carrying amount is disclosed in the statement of financial position.

Mine development costs (Note 7)

The fair value of the mine development costs was determined based on the property's highest and best use, using the income approach. If the fair value of the mine development costs increases/decreases by 10% from management's determination, the Group's profit for the year will decrease/increase by approximately A$1,673,000 (2019 - A$2,336,000).

Impairment of investment in subsidiaries (Note 11)

Determining whether an investment in a subsidiary is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates and assessed that no impairment was required. If the present value of estimated future cash flows decreased by 1% from management's estimates, it is not likely to materially affect the carrying amount.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Net realisable value of inventories (Note 14)

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. These estimates are based on the current market conditions and historical experiences of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Management reassesses the estimations at the end of each reporting date. The carrying amount of the inventories carried at net realisable value as at 31 December 2020 is A$7,455,000 (2019 - A$Nil). If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's loss for the year will increase by A$745,500 (2019 – A$Nil).

Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 22 respectively. An increase/decrease of 50 basis points in the estimated IBR will not significantly decrease/increase the Group's right-of-use assets and lease liabilities.

2(b) Adoption of new and revised standards effective for the current financial year

On 1 January 2020, the Group and the Company have adopted all the new and revised IFRS, IFRS Interpretations ("IFRS INT") and amendments to IFRS, effective for the current financial year that are relevant to them. The adoption of these new and revised IFRS pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IFRS 3	*Definition of a Business*	1 January 2020
Amendments to IAS 1 and IAS 8	*Definition of Material*	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised *Conceptual Framework for Financial Reporting*		1 January 2020

2(c) New and revised IFRS in issue but not yet effective

The following are not expected to have any financial impact, being the new or amended IFRS and Interpretations issued as of 2020 that are relevant to the Group and the Company and which are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IFRS 16	*COVID-19 Related Rent Concessions*	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to IFRS 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8	*Definition of Accounting Estimates*	1 January 2023

2(c) New and revised IFRS in issue but not yet effective (Cont'd)

Amendments to IFRS 16 *COVID-19 Related Rent Concessions*

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2*

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

On modifications of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current IFRS requirements. A similar practical expedient is provided for lessee accounting applying IFRS 16. IFRS 4 is also amended to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying IAS 39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to IFRS 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

Amendments to IAS 16 *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with IAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

2(c) New and revised IFRS in issue but not yet effective (Cont'd)

Amendments to IFRS 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendments clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity shall include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies instead of its significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. However, accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. In addition, if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In support of the amendments to IAS 1, amendments are also made to IFRS Practice Statement 2 to illustrate how an entity could judge whether information about an accounting policy is material to its financial statements.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 *Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Accordingly, an entity develops accounting estimates if the accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. Illustrative examples are also added to help entities understand and apply the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

2(d) Summary of significant accounting policies

Group accounting

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

2(d) Summary of significant accounting policies (Cont'd)

Group accounting (Cont'd)

Basis of consolidation (Cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continues to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Transactions with Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Business combination is accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether it includes, as a minimum, an input and substantive process, and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 'concentration test' is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the profit or loss as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss. The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the profit or loss on the acquisition date.

2(d) Summary of significant accounting policies (Cont'd)

Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less the allowance for any impairment losses on an individual subsidiary basis.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the Group's statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in the associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures any retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not re-measure the retained interest.

2(d) Summary of significant accounting policies (Cont'd)

Associates (Cont'd)

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to the profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the profit or loss on the disposal of the related assets or liabilities.

Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

Goodwill

Goodwill on the acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in the profit or loss on disposal.

Exploration and evaluation costs

Exploration and evaluation costs relate to mineral rights acquired and exploration and evaluation expenditures capitalised in respect of projects that are at the exploration/pre-development stage.

Exploration and evaluation assets are initially recognised at cost. Subsequent to initial recognition, they are stated at cost less any accumulated impairment losses. These assets are reclassified as mine development costs upon the commencement of mine development, when technical feasibility and commercial viability of extracting mineral resources becomes demonstrable.

Exploration and evaluation expenditures in the relevant area of interest comprises costs which are directly attributable to acquisition, surveying, geological, geochemical and geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability.

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalised costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest, where the existence of a technically feasible and commercially viable mineral deposit has been established.

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with IAS 36 *Impairment of Assets* whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

(a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be recovered;
(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
(d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

2(d) Summary of significant accounting policies (Cont'd)

Intangible assets (Cont'd)

Mine development costs

Costs arising from the development of the mine site (except for the expenditures incurred for building the mine site and the purchase of machinery and equipment for the mining operation which are included in property, plant and equipment) are accumulated in respect of each identifiable area of interest and are capitalised and carried forward as an asset to the extent that they are expected to be recouped through the successful mining of the areas of interest.

Accumulated costs in respect of an area of interest subsequently abandoned are written off to the profit or loss in the reporting period in which the Directors' decision to abandon is made.

Amortisation is not charged on the mine development costs carried forward in respect of areas of interest until production commences. Where mining of a mineral deposit has commenced, the related exploration and evaluation costs are transferred to mine development costs. When production commences, carried forward mine development costs are amortised on a unit of production basis. The unit of production basis results in an amortisation charge proportional to the depletion of the estimated economically recoverable mineral resources.

Pre-production operating expenses and revenues were accumulated and capitalised into the Bootu Creek mine development costs until 31 August 2006 as the mine was involved in the commissioning phase which commenced in November 2005. Subsequent to 31 August 2006, the Directors of the Company determined that the processing plant was in the condition necessary for it to be capable of operating in the manner intended so as to seek to achieve design capacity rates. These costs were carried forward to the extent that they are expected to be recouped through the successful mining of the area of interest.

The amortisation of capitalised mine development costs commenced from 1 September 2006 and continues to be amortised over the life of the mine according to the rate of depletion of the economically recoverable mineral resources.

Property, plant and equipment

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method to allocate the depreciable amount of these assets over their estimated useful lives as follows:

Buildings and infrastructure	3 to 20 years
Plant and machinery	3 to 20 years
Computer equipment, office equipment and furniture	1 to 10 years
Motor vehicles	5 to 10 years

Plant and equipment - Process facility, stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the unit of production method to allocate the depreciable amount of these assets over the estimated useful lives as follows:

Plant and equipment - Process facility	Life of mine

CIP represents assets in the course of construction for production or for its own use purpose. CIP is stated at cost less any impairment loss and is not depreciated. Cost includes direct costs incurred during the periods of construction, installation and testing plus interest charges arising from borrowings used to finance these assets during the construction period. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditures relating to property, plant and equipment that have been recognised are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

2(d) Summary of significant accounting policies (Cont'd)

Investment property

Investment property comprises leasehold property that is held for long-term rental yields and for capital appreciation. Investment property is not occupied by the Group.

The Group applies the cost model. Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include costs of renovation or improvement of the existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment property of 73 years.

Investment property is de-recognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment property is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all direct expenditure and production overheads based on the normal level of activity. The costs incurred in bringing each product to its present location and conditions are accounted for as follows:

(a) Raw materials at purchase cost on a weighted average basis; and
(b) Finished goods and work in progress at cost of materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Classification

Financial assets are classified, at initial recognition, in the following measurement categories: amortised cost; fair value through other comprehensive income (FVOCI); and fair value through the profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial assets and the contractual terms of their cash flows determining whether those cash flows represent 'solely payment of principal and interest' (SPPI).

For assets measured at fair value, gains and losses will either be recorded in the profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at FVOCI. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost*: Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, and through the amortisation process. The Company's and the Group's debt instruments at amortised cost include trade and other receivables, and cash and cash equivalents (including cash collateral).

- *FVOCI*: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

- *FVTPL*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the profit or loss. A gain or loss on debt instruments that are subsequently measured at fair value through the profit or loss and are not part of a hedging relationship is recognised in the profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group's equity instrument at FVTPL includes other investment.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For receivables which are trade in nature, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Impairment (Cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Determination of fair value of financial assets

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Financial liabilities

The Company's and the Group's financial liabilities include borrowings, lease liabilities, trade and bill payables, accruals and other payables.

All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are de-recognised if the Company's and the Group's obligations specified in the contract expire or are discharged or cancelled.

<u>Borrowings</u>

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are de-recognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statements of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the related asset. Otherwise, borrowing costs are recognised as expenses when incurred. Borrowing costs consist of interest and other financing charges that the Company and the Group incur in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs cease when substantially all the activities necessary to prepare the qualifying assets are substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

<u>Trade and bill payables/accruals and other payables</u>

Trade and bill payables/accruals and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

<u>5% Convertible Note</u>

Convertible notes are initially recorded at fair value. The fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible bond; this amount is then recorded as a non-current liability on an amortised cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option, which is recognised and included as a current liability as the convertible note is issued in a currency that is not the functional currency of the issuer and hence, cannot be classified as equity. As the economic characteristics and risks of the redemption option are closely related to the host contract, the redemption option is not accounted for separately from the host contract.

<u>Financial guarantees</u>

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Financial guarantees (Cont'd)

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under IFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

There are 3 types of hedges as follows:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
(c) hedges of a net investment in a foreign operation (net investment hedge).

However, the Group only designates certain derivatives as cash flow hedge.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in other comprehensive income are shown in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

For cash flow hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. For hedging instruments used to hedge bank borrowings that finance the construction of a subsidiary's ferrosilicon production facility, any ineffective portion is capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress").

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps which hedge variable rate borrowings is recognised in the profit or loss within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of the fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.

Derivative financial instruments not designated as hedging instrument

Derivative financial instruments are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through the profit or loss. Gains or losses arising from changes in fair value are recorded directly in the profit or loss for the year.

The changes in fair value of the derivative financial instruments not designated as hedges are capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress") if these derivatives are used to hedge the bank borrowings that finance the construction of the ferrosilicon production facility.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and balances on hand, demand deposits with banks and highly liquid investments with original maturities of 3 months or less which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

2(d) Summary of significant accounting policies (Cont'd)

Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Share premium

Any excess of the proceeds received over the par value of the shares is recorded in share premium.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Provisions and contingent liabilities

Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Where the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in provision due to the passage of time is recognised as finance costs.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably measured. Contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

2(d) Summary of significant accounting policies (Cont'd)

Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in the profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) *Right-of-use asset*

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, are as follows:

Leasehold buildings	:	over lease term of 1 to 2 years
Plant and machinery	:	1 to 2 years
Office equipment	:	5 years
Motor vehicles	:	5 to 10 years

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(b) *Right-of-use asset (Cont'd)*

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Costs prepaid for the usage of land in the PRC and Malaysia under leasing agreements form part of the Group's right-of-use assets and are presented as land use rights in the statement of financial position. Amortisation of land use rights is calculated on a straight-line method over the term of use being 50 to 60 years.

The right-of-use assets, except for land use rights, are presented as a separate line item in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) The Group as lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16, except for the classification of the sublease entered into that resulted in a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight- line basis over the lease term within "other income" in the profit or loss.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that a future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

Current tax assets and current tax liabilities are presented net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities net if, and only if,

(a) the Group has a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or
  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Royalties and Special Mining Taxes

Other tax expense includes the cost of royalty and special mining taxes payable to governments that are calculated on a percentage of taxable profit whereby profit represents net income adjusted for certain items defined in applicable legislation.

Employee benefits

Defined contribution plan

Retirement benefits to employees are provided through defined contribution plans, as provided by the laws of the countries in which it has operations. The Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"). The Australian subsidiary in the Group is required to contribute to employee superannuation plans and such contributions are charged as an expense as the contributions are paid or become payable.

The Australian subsidiary contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, so as to provide benefits to employees on retirement, death or disability. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

  (i) has control or joint control over the Company;
  (ii) has significant influence over the Company; or
  (iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

2(d) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or the end of a reporting period.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied and the customer obtains control of the goods. Control of an asset refers to an entity's ability to direct the use of and obtain substantially all of the remaining benefits (that is, the potential cash inflows or savings in outflows) from the asset. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns.

The Group supplies ores into the China market and international shipments. For the China market, transfer of goods and control is passed to the customers upon full payment and notification to take deliveries. For international shipments, as the Group does not have the right to re-direct shipments and the risk of shipments loss in transit and at destination ports is covered by the buyers' insurance, the transfer of goods and control is passed to the customers upon loading of the goods onto the relevant carrier at the port of shipment. The majority of customers are required to make full payment before the loading of goods at the port of shipment.

Transportation of goods sold on CFR or CIF Incoterms

Revenue from rendering service for transportation of goods sold is on Cost & Freight (CFR) or Cost, Insurance & Freight (CIF) Incoterms and is recognised over the period of transportation to the customer. A significant proportion of the Group's products are sold under CFR or CIF Incoterms, in which the Group is responsible for providing transportation of the goods after the date that the Group transfers control of the goods to the customers at the loading port.

The Group's provision of transportation service for contracts under CFR and CIF Incoterms is a distinct service and, therefore, a separate performance obligation. The total sales price or transaction price is allocated to the separate performance obligations comprising of: (a) the product sold; and (b) the transportation service including insurance and freight. Revenue earned from transportation of goods is recognised over time as the customer simultaneously receives the benefits provided as the Group performs the transportation service.

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive the dividend has been established.

Contract liabilities

Contract liabilities relate to the Group's obligation to perform services for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs the service under the contract.

Capitalised contract costs

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as expense.

Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Australian Dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2(d) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies (Cont'd)

Transactions and balances (Cont'd)

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to the profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting the profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
(ii) Income and expenses for each statement presenting the profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2010, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

Operating segments

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following a review of the Group's major products and services.

The Group has identified the following reportable segments:

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon and manganese sinter ore
Marketing and trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon, sinter ore, chrome ore and iron ore

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the change in fair value of derivative financial instruments, finance income and costs, share of results of associate, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Segment assets include property, plant and equipment, land use rights, mine development costs, inventories, receivables and operating cash and mainly exclude available-for-sale financial assets, deferred tax assets, interest in an associate, goodwill and corporate assets which are not directly attributable to the business activities of any operating segment, which primarily applies to the Group's headquarters.

Segment liabilities comprise operating liabilities and exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include income tax payables, deferred tax liabilities and corporate borrowings.

3 Principal activities and revenue

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as stated in Note 11.

Revenue is turnover derived from activities related to the sales of ore and ferroalloy products and related services which represent the invoiced value of goods or services sold, net of discounts, goods and services tax and other sales taxes.

3 Principal activities and revenue (Cont'd)

Disaggregation of the Group's total revenue

Segments	Mining		Smelting		Marketing and Trading		Total Revenue	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000
Primary geographical markets								
Asia Pacific	**1,042**	2,651	**194,728**	315,973	**480,184**	539,122	**675,954**	857,746
Europe	**-**	-	**1,601**	-	**41,274**	79,522	**42,875**	79,522
Middle East	**-**	-	**968**	-	**48,543**	39,681	**49,511**	39,681
Africa	**-**	-	**-**	-	**3,220**	1,911	**3,220**	1,911
Others	**-**	-	**-**	-	**13,073**	47,594	**13,073**	47,594
	1,042	2,651	**197,297**	315,973	**586,294**	707,830	**784,633**	1,026,454
Major product or service lines								
Ores	**1,042**	2,651	**-**	-	**202,547**	245,938	**203,589**	248,589
Alloys	**-**	-	**192,952**	309,760	**360,877**	435,587	**553,829**	745,347
Services	**-**	-	**4,345**	6,213	**22,870**	26,305	**27,215**	32,518
	1,042	2,651	**197,297**	315,973	**586,294**	707,830	**784,633**	1,026,454
Timing of transfer of goods or services								
At a point in time	**1,042**	2,651	**192,952**	309,760	**563,424**	681,525	**757,418**	993,936
Over time	**-**	-	**4,345**	6,213	**22,870**	26,305	**27,215**	32,518
	1,042	2,651	**197,297**	315,973	**586,294**	707,830	**784,633**	1,026,454

4 Property, plant and equipment

The Group	Construction -in-progress	Buildings and infrastructure	Plant and machinery	Computer equipment, office equipment and furniture	Motor vehicles	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Cost						
At 1 January 2019	7,800	24,466	758,467	5,123	1,986	797,842
Additions	72,254	35	3,576	565	134	76,564
Transfers	(6,210)	82	6,109	68	(49)	-
Reclassification to investment property (Note 8)	-	(802)	-	-	-	(802)
Disposals	-	-	(4,758)	(69)	-	(4,827)
Written off	-	(36)	(114)	(19)	-	(169)
Exchange realignment	304	(151)	5,267	15	24	5,459
At 31 December 2019 and 1 January 2020	**74,148**	**23,594**	**768,547**	**5,683**	**2,095**	**874,067**
Additions	**14,164**	**67**	**549**	**708**	**2**	**15,490**
Transfers	**(65,847)**	**1,968**	**63,879**	**-**	**-**	**-**
Written off	**-**	**-**	**(42)**	**-**	**(5)**	**(47)**
Exchange realignment	**(1,425)**	**(897)**	**(70,337)**	**(368)**	**(121)**	**(73,148)**
At 31 December 2020	**21,040**	**24,732**	**762,596**	**6,023**	**1,971**	**816,362**
Accumulated depreciation and impairment loss						
At 1 January 2019	344	11,467	121,369	3,110	1,657	137,947
Depreciation for the year (Note 28)	-	1,469	40,102	637	161	42,369
Transfers	-	(3)	19	-	(16)	-
Reclassification to investment property (Note 8)	-	(154)	-	-	-	(154)
Disposals	-	-	(4,547)	(64)	-	(4,611)
Written off	-	(20)	(14)	(14)	-	(48)
Exchange realignment	-	(97)	242	-	13	158
At 31 December 2019 and 1 January 2020	**344**	**12,662**	**157,171**	**3,669**	**1,815**	**175,661**
Depreciation for the year (Note 28)	**-**	**1,292**	**41,058**	**861**	**74**	**43,285**
Transfers	**(344)**	**-**	**344**	**-**	**-**	**-**
Written off	**-**	**-**	**(6)**	**-**	**(5)**	**(11)**
Exchange realignment	**-**	**(500)**	**(14,438)**	**(214)**	**(105)**	**(15,257)**
At 31 December 2020	**-**	**13,454**	**184,129**	**4,316**	**1,779**	**203,678**
Net book value						
At 31 December 2020	**21,040**	**11,278**	**578,467**	**1,707**	**192**	**612,684**
At 31 December 2019	73,804	10,932	611,376	2,014	280	698,406

Buildings are located in the PRC.

4 Property, plant and equipment (Cont'd)

As of 31 December 2020, property, plant and equipment with a total net carrying amount of A$576,099,000 (2019 - A$645,000,000) had been pledged for banking facilities granted to subsidiaries (Note 21.1).

The Group evaluates any indication of impairment in the property, plant and equipment at the end of each reporting period. Cash flow projections used in these calculations are based on financial budgets approved by management covering the useful life of property, plant and equipment. Cash flows beyond the useful life of the property, plant and equipment are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2019 – 1%) would not result in indication of impairment of the carrying amount of property, plant and equipment.

Key assumptions used for value-in-use calculations:

	2020			2019		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**11%**	**21%**	**15%**	8%	18%	34%
Growth rate[2]	**0% before 2025, 0% after 2025**	**2% - 5% before 2025, 0% after 2025**	**0% before 2025, 0% after 2025**	2% before 2024, 0% after 2024	1.5% before 2024, 0% after 2024	0% before 2024, 0% after 2024
Discount rate[3]	**5.9%**	**6.1%**	**12.3%**	8.5%	7.6%	9%

[1] Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period.
[3] Pre-tax discount rates applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

5 Land use rights

	2020	2019
The Group	**A$'000**	A$'000
At beginning of the year	**9,920**	10,070
Amortisation for the year (Note 28)	**(206)**	(204)
Exchange realignment	**(792)**	54
At end of the year	**8,922**	9,920

The land use rights, that form part of the Group's right-of-use assets, are for leasehold land located in the PRC and Malaysia.

The land use rights for leasehold land located in Malaysia had a net carrying value of A$7,608,000 (2019 – A$8,527,000) and were pledged as security for borrowings referred to in Note 21.1(c).

Information about the Group's leasing activities are disclosed in Note 34.

6 Exploration and evaluation costs

	2020	2019
The Group	**A$'000**	A$'000
At beginning of the year	**963**	1,808
Costs incurred during the year	**1,363**	1,861
Written off during the year (Note 28)	**-**	(2,706)
At end of the year	**2,326**	963

7 Mine development costs

The Group	**2020** **A$'000**	2019 A$'000
At beginning of the year	**23,363**	23,988
Costs incurred during the year	**-**	4,522
Adjustments to rehabilitation provisions (Note 24)	**(132)**	-
Amortisation for the year (Note 28)	**(6,505)**	(5,147)
At end of the year	**16,726**	23,363

8 Investment property

The Group	**2020** **A$'000**	2019 A$'000
Cost		
Balance at beginning of year	**808**	-
Transfer from property, plant and equipment (Note 4)	**-**	802
Exchange realignment	**(73)**	6
Balance at end of year	**735**	808
Accumulated depreciation		
Balance at beginning of year	**166**	-
Transfer from property, plant and equipment (Note 4)	**-**	154
Depreciation for the year (Note 28)	**11**	11
Exchange realignment	**(16)**	1
Balance at end of year	**161**	166
Net book value	**574**	642
Rental income	**126**	116
Direct operating expenses arising from investment property that generates rental income	**(25)**	(26)
Gross profit arising from investment property	**101**	90

In January 2019, a leasehold building in property, plant and equipment with carrying value of A$648,000 was transferred to Investment Property as the Group rented out the office premises to a non-related tenant.

The following are details of the investment property of the Group:

Property Name	Location	Description	Total net lettable area (sq m)	Tenure
Parkway Parade	80 Marine Parade Road, #08-08 Parkway Parade, Singapore 449269	Office premises	148	73-year leasehold commenced from 31 August 2005

Fair value hierarchy

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	A$'000	A$'000	A$'000
2020	**-**	**-**	**2,535**
2019	-	-	2,593

Valuation techniques used to derive fair values

As of 31 December 2020, the fair value of investment property amounted to approximately A$2,535,000 (2019 – A$2,593,000) as determined by management with reference to recent market transactions of comparable properties in close proximity, adjusted for differences in key attributes such as property size, which is based on the property's highest and best use.

9 Right-of-use assets

The Group	Leasehold buildings A$'000	Plant and machinery A$'000	Office equipment A$'000	Motor vehicles A$'000	Total A$'000
Cost					
At 1 January 2019	5,366	4,755	37	712	10,870
Exchange realignment	41	-	-	-	41
Reclassification	-	191	-	(191)	-
Additions	1,652	5,312	-	-	6,964
At 31 December 2019 and 1 January 2020	**7,059**	**10,258**	**37**	**521**	**17,875**
Exchange realignment	**(419)**	**(505)**	**(3)**	**(46)**	**(973)**
Lease modification	**(276)**	**(320)**	**-**	**-**	**(596)**
Write-off	**(1,120)**	**-**	**-**	**-**	**(1,120)**
Additions	**28**	**932**	**-**	**-**	**960**
At 31 December 2020	**5,272**	**10,365**	**34**	**475**	**16,146**
Accumulated depreciation and impairment					
At 1 January 2019	-	4,381	-	238	4,619
Exchange realignment	(23)	(7)	-	(1)	(31)
Reclassification	-	68	-	(68)	-
Depreciation	3,742	2,358	9	47	6,156
At 31 December 2019 and 1 January 2020	**3,719**	**6,800**	**9**	**216**	**10,744**
Exchange realignment	**(411)**	**(440)**	**(2)**	**(25)**	**(878)**
Lease modification	**(214)**	**(22)**	**-**	**-**	**(236)**
Write-off	**(1,120)**	**-**	**-**	**-**	**(1,120)**
Depreciation	**2,828**	**2,750**	**9**	**57**	**5,644**
At 31 December 2020	**4,802**	**9,088**	**16**	**248**	**14,154**
Carrying amount					
At 31 December 2020	**470**	**1,277**	**18**	**227**	**1,992**
At 31 December 2019	3,340	3,458	28	305	7,131

Leasehold buildings are located in Malaysia, Singapore and Australia.

Information about the Group's leasing activities are disclosed in Note 34.

10 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting in similar tax legislations, are shown on the statement of financial position as follows:

The Group	**2020** **A$'000**	2019 A$'000
Deferred tax assets		
At gross	**89,785**	85,519
Less: Set off of tax in similar legislations	**(75,997)**	(74,127)
At net	**13,788**	11,392
Deferred tax liabilities		
At gross	**(1,229)**	(1,237)
Less: Set off of tax in similar legislations	**-**	-
At net	**(1,229)**	(1,237)
Deferred tax assets		
To be recovered within one year	**-**	1,976
To be recovered after one year	**13,788**	9,416
	13,788	11,392
Deferred tax liabilities		
To be settled within one year	**-**	-
To be settled after one year	**(1,229)**	(1,237)
	(1,229)	(1,237)

Deferred tax assets (at gross) comprise tax on the following deductible temporary differences:

The Group	Excess of tax written down value over net book value of qualifying property, plant and equipment A$'000	Provisions A$'000	Tax losses A$'000	Others A$'000	Total A$'000
At 1 January 2019	-	3,357	1,748	782	5,887
Credited to profit or loss (Note 29)	-	2,740	76,952	474	80,166
Exchange difference on translation	-	-	(534)	-	(534)
At 31 December 2019 and 1 January 2020	**-**	**6,097**	**78,166**	**1,256**	**85,519**
Credited/(charged) to profit or loss (Note 29)	**1,186**	**(448)**	**12,394**	**(1,030)**	**12,102**
Exchange difference on translation	**-**	**-**	**(7,836)**	**-**	**(7,836)**
At 31 December 2020	**1,186**	**5,649**	**82,724**	**226**	**89,785**

10 Deferred taxation (Cont'd)

Deferred tax liabilities (at gross) comprise tax on the following taxable temporary differences:

The Group	Excess of net book value over tax written down value of qualifying property, plant and equipment, and mine development costs A$'000	Fair value gains A$'000	Provisions A$'000	Others A$'000	Total A$'000
At 1 January 2019	(6,335)	(452)	(1,594)	(807)	(9,188)
(Charged)/credited to profit or loss (Note 29)	(65,691)	452	(1,356)	4	(66,591)
Exchange difference on Translation	424	-	-	(9)	415
At 31 December 2019	**(71,602)**	**-**	**(2,950)**	**(812)**	**(75,364)**
(Charged)/credited to profit or loss (Note 29)	**(11,050)**	**-**	**2,266**	**(246)**	**(9,030)**
Exchange difference on translation	**7,168**	**-**	**-**	**-**	**7,168**
At 31 December 2020	**(75,484)**	**-**	**(684)**	**(1,058)**	**(77,226)**

Unrecognised deferred tax assets

Deferred tax assets of A$2,914,000 (2019 - A$3,464,000) have not been recognised in respect of the following items:

The Group	2020 A$'000	2019 A$'000
Tax losses	**12,032**	14,229

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences have an expiry term of 7 years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable income will be available against which the Group can recognise the benefits.

11 Subsidiaries

The Company	2020 A$'000	2019 A$'000
Unquoted equity investments, at cost	**8,013**	8,013
Amounts due from subsidiaries	**217,521**	220,025
Less: Accumulated impairment losses		
At beginning and end of the year	**(83,417)**	(83,417)
	134,104	136,608
Total	**142,117**	144,621

11 Subsidiaries (Cont'd)

The amounts due from subsidiaries are loans to subsidiaries, representing an extension of its investments in the subsidiaries. These amounts are unsecured with indeterminate repayment terms.

The Group evaluates any indication of impairment on the investment in subsidiaries at the end of each reporting period. The Group carries out a review of the recoverable amount of its investment in subsidiaries based on the higher of its fair value less cost to sell and value in use.

Cash flow projections used in these calculations are based on financial budgets approved by management covering the useful life of the property, plant and equipment. Cash flows beyond the useful life of the property, plant equipment are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2019 – 1%) would not result in indication of impairment of the carrying amount of the investments in subsidiaries.

Key assumptions used for value-in-use calculation:

	2020			2019		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**11%**	**21%**	**15%**	8%	18%	34%
Growth rate[2]	**0% before 2025, 0% after 2025**	**2% - 5% before 2025, 0% after 2025**	**0% before 2025, 0% after 2025**	2% before 2024, 0% after 2024	1.5% before 2024, 0% after 2024	0% before 2024, 0% after 2024
Discount rate[3]	**5.9%**	**6.1%**	**12.3%**	8.5%	7.6%	9%

1 Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
2 Weighted average growth rate used to extrapolate cash flows beyond the budget period.
3 Pre-tax discount rate applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ operation	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2020 %	2019 %	
Held by the Company OM (Manganese) Ltd. (1)	Australia	**100**	100	Operation of manganese mine
Held by OM Resources (HK) Limited OM Materials (S) Pte. Ltd. (2)	Singapore	**100**	100	Investment holding and trading of metals and ferroalloy products
Held by OM Materials (S) Pte. Ltd. OM Materials (Sarawak) Sdn. Bhd. (3)	Malaysia	**75**	75	Sales and processing of ferroalloys and ores
OM Materials (Qinzhou) Co. Ltd. (4)	PRC	**100**	100	Sales and processing of ferroalloys and ores
Held by OM Materials Trade (S) Pte. Ltd. OM Materials Trading (Qinzhou) Co. Ltd (4)	PRC	**100**	100	Sales and processing of ferroalloys and ores

Note:
(1) audited by Grant Thornton Audit Pty Ltd
(2) audited by Foo Kon Tan LLP
(3) audited by Ernst & Young, Malaysia
(4) audited by Guangxi JiaHai Accountant Affairs Office Co. Ltd. for statutory purposes and reviewed by Foo Kon Tan LLP for group consolidation

11 Subsidiaries (Cont'd)

At the end of the reporting period, the Group has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/ operation	Number of subsidiaries	
		2020	2019
Investment holding	The British Virgin Islands	**1**	1
Investment holding	Mauritius	**1**	1
Investment holding	Hong Kong	**1**	1
Investment holding	Singapore	**1**	1
Logistics and trading of metals and ferroalloy products	Malaysia	**1**	1
Trading of metals and ferroalloy products	PRC	**1**	1
Sales and processing of ferroalloys and ores	Malaysia	**1**	1
Exploration and mining of minerals	Malaysia	**2**	2
Engineering services	Malaysia	**1**	-
Dormant	Singapore	**-**	1
		10	10

The table below shows details of a non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name	Place of Incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	2019	**2020**	2019	**2020**	2019
		%	%	**A$'000**	A$'000	**A$'000**	A$'000
OM Materials (Sarawak) Sdn. Bhd.	Malaysia	**25**	25	**(8,139)**	(273)	**56,967**	70,531

11 Subsidiaries (Cont'd)

Summarised financial information in respect of the above subsidiary that has material non-controlling interests ("NCI") is set out below.

	2020 A$'000	2019 A$'000
OM Materials (Sarawak) Sdn. Bhd.		
Summarised Statement of Financial Position		
Current assets	**228,907**	250,295
Non-current assets	**583,058**	665,389
Current liabilities	**(227,511)**	(187,692)
Non-current liabilities	**(352,327)**	(441,610)
Equity attributable to owners of the Company	**175,160**	215,851
Non-controlling interests	**56,967**	70,531
Summarised Statement of Comprehensive Income		
Revenue	**521,940**	673,991
Expenses	**(554,497)**	(675,083)
Loss for the year	**(32,557)**	(1,092)
Loss attributable to owners of the Company	**(24,418)**	(819)
Loss attributable to NCI	**(8,139)**	(273)
Loss for the year	**(32,557)**	(1,092)
Other comprehensive income attributable to owners of the Company	**768**	719
Other comprehensive income attributable to NCI	**256**	240
Other comprehensive income for the year	**1,024**	959
Total comprehensive loss attributable to owners of the Company	**(23,650)**	(99)
Total comprehensive loss attributable to NCI	**(7,883)**	(33)
Total comprehensive loss for the year	**(31,533)**	(132)
Other summarised information		
Net cash inflow from operating activities	**77,404**	69,035
Net cash outflow from investing activities	**(8,038)**	(49,969)
Net cash outflow from financing activities	**(61,585)**	(40,973)
Net cash inflow/(outflow)	**7,781**	(21,907)

12 Interests in associates

The Group	2020 A$'000	2019 A$'000
Cost of investment in associates [(1)]	**77,672**	77,672
Share of post-acquisition profits and reserves, net of dividends	**49,160**	38,686
	126,832	116,358

(1) Comprised unquoted equity shares at cost and advances to associates net of repayments. The advances to associates represent extensions of the investment in associates which are unsecured with indeterminate repayment terms.

12 Interests in associates (Cont'd)

Details of the Group's material associate at the end of the reporting period was as follows:

Name	Country of incorporation	Proportion of effective ownership interest and voting rights held by the Group		Principal activities
		2020 %	2019 %	
Ntsimbintle Mining Proprietary Limited ("NMPL") [(1)]	South Africa	**26**	26	Investment holding
Held by NMPL [(2)] Tshipi é Ntle Manganese Mining Proprietary Limited ("Tshipi Mining") [(1)]	South Africa	**13**	13	Exploration and exploitation of minerals

(1) audited by KPMG Inc.

(2) NMPL holds a 50.1% interest joint venture in Tshipi Mining whose results are equity-accounted in NMPL.

Shares in the Group's material associate are held by a wholly-owned subsidiary of the Group, OMH (Mauritius) Corp.

All of the Group's associates are accounted for using the equity method in these consolidated financial statements.

The financial year end date of NMPL is 28 February. For the purposes of applying the equity method accounting, the management accounts of NMPL for the year ended 31 December 2020 have been used and appropriate adjustments have been made as necessary.

Summarised financial information in respect of the Group's material associate are set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	Ntsimbintle Mining Proprietary Limited	
	2020 A$'000	2019 A$'000
Current assets	**3,556**	1,990
Non-current assets [(1)]	**193,787**	178,358
Current liabilities	**(11)**	(14)
Non-current liabilities	**(368,290)**	-
Net (liabilities)/assets	**(170,958)**	180,334
Income [(1)]	**64,146**	116,987
Profit for the year	**63,649**	116,773
Total comprehensive income for the year	**63,649**	116,773
Dividends received from associate	**6,048**	40,362

(1) Inclusive of equity-accounted results of Tshipi Mining.

12 Interests in associates (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	Ntsimbintle Mining Proprietary Limited		Total	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Net (liabilities)/assets of the associate	**(170,958)**	180,334	**(170,958)**	180,334
Shareholder loans	**368,290**	-	**368,290**	-
	197,332	180,334	**197,332**	180,334
Proportion of the Group's ownership interest in the associate	**51,306**	46,887	**51,306**	46,887
Goodwill	**59,842**	59,842	**59,842**	59,842
Currency translation difference	**15,655**	9,573	**15,655**	9,573
Carrying value	**126,803**	116,302	**126,803**	116,302
Add:				
Carrying value of individually immaterial associates			**29**	56
Carrying value of Group's interest in associates			**126,832**	116,358

Aggregate information of associates that are not individually material

The summarised financial information of the immaterial associate not adjusted for in the Group's share of equity interest is as follows:

	2020 A$'000	2019 A$'000
- (Loss)/profit for the year	**(71)**	60
- Total comprehensive (loss)/income for the year	**(71)**	60

	2020 A$'000	2019 A$'000
The Group's share of (loss)/profit	**(24)**	20

13 Other investment

The Group	**2020 A$'000**	2019 A$'000
Non-current		
Equity investments at FVTPL		
- Quoted equity shares (held for trading)	**1,888**	-

The investment in quoted equity shares offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

13 Other investment (Cont'd)

Fair value hierarchy – Recurring fair value measurements

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	A$'000	A$'000	A$'000
2020	**1,888**	**-**	**-**
2019	-	-	-

14 Inventories

The Group	**2020 A$'000**	2019 A$'000
At cost		
Raw materials	**147,354**	157,745
Work-in-progress	**15,561**	1,467
Finished goods	**45,937**	69,063
	208,852	228,275
At net realisable value		
Work-in-progress	**898**	-
Finished goods	**6,557**	-
	7,455	-
Total	**216,307**	228,275
Cost of inventories recognised as an expense and included in cost of sales (Note 28)	**688,371**	874,001
Write-down of inventories to net realisable value (Note 28)	**3,397**	-

15 Trade and other receivables

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
Trade receivables (i)	**-**	-	**48,130**	30,167
Other receivables:				
Amounts due from subsidiaries (non-trade)	**12,553**	18,325	**-**	-
Deposits and other receivables:				
- third party	**-**	-	**15,111**	7,155
- associate	**-**	-	**29**	765
	12,553	18,325	**15,140**	7,920
Less: Allowance for impairment of other receivables:				
At beginning of the year	**-**	-	**(278)**	-
Impairment loss (Note 28)	**-**	-	**-**	(278)
At end of the year	**-**	-	**(278)**	(278)
Net other receivables (ii)	**12,553**	18,325	**14,862**	7,642
Total (i) + (ii)	**12,553**	18,325	**62,992**	37,809

The non-trade amounts due from subsidiaries, representing advances, are interest-free, unsecured and repayable on demand.

Included in the Group's deposits and other receivables from third parties is tax recoverable of A$6,763,000 (2019 – A$764,000) from the Australian Taxation Office ("ATO").

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
Australian Dollar	**12,553**	18,325	**9,171**	2,015
Renminbi	**-**	-	**5,277**	2,930
United States Dollar	**-**	-	**44,855**	31,047
Malaysian Ringgit	**-**	-	**425**	228
Others	**-**	-	**3,264**	1,589
	12,553	18,325	**62,992**	37,809

The credit risk for trade and other receivables based on the information provided by key management is as follows:

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
By geographical areas				
Asia Pacific	**9,441**	9,441	**52,682**	27,280
Europe	**-**	-	**4,187**	1,155
Africa	**3,112**	8,884	**29**	835
Others	**-**	-	**6,094**	8,539
	12,553	18,325	**62,992**	37,809

15 Trade and other receivables (Cont'd)

Neither past due nor impaired

Trade and other receivables that were neither past due nor impaired amounting to A$12,553,000 (2019 - A$18,325,000) and A$62,153,000 (2019 - A$37,535,000) for the Company and the Group respectively related to a wide range of debtors for whom there was no recent history of default.

Past due but not impaired

The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Past due 0 to 3 months	**-**	-	**643**	213
Past due 3 to 6 months	**-**	-	**-**	61
Past due over 6 months	**-**	-	**196**	-
	-	-	**839**	274

Trade and other receivables that were past due but not impaired related to a number of debtors that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 6 months. These receivables are mainly arising from debtors that have a good credit record with the Group.

16 Capitalised contract costs

The Group	**2020 A$'000**	2019 A$'000
Costs to fulfil service rendered for transportation of goods sold under CFR and CIF Incoterms	**1,856**	1,015
Amortisation recognised as cost of sales during the year	**1,015**	2,759

The Group's capitalised contract costs relate to fulfilment costs of freight and insurance for the transportation of goods sold under CFR and CIF Incoterms. These costs are charged to the profit or loss on a basis consistent with the pattern of recognition of the associated revenue.

17 Cash and bank balances

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Cash at bank and on hand	**42**	31	**58,905**	42,598
Short-term bank deposits	**-**	-	**4,126**	21,114
Total cash and bank balances	**42**	31	**63,031**	63,712
Less: Cash collateral	**-**	-	**(17,080)**	(14,812)
Cash and cash equivalents	**42**	31	**45,951**	48,900

Included in the cash collateral were amounts of A$2,140,000 (2019 - A$1,436,000) and A$14,940,000 (2019 - A$13,376,000) which were pledged to banks as security for banking facilities and the issuance of environmental bonds (Note 35.4) respectively.

17 Cash and bank balances (Cont'd)

Cash and bank balances are denominated in the following currencies:

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Australian Dollar	**39**	30	**17,639**	13,680
Renminbi	**-**	-	**15,381**	12,776
United States Dollar	**3**	1	**23,637**	35,361
Malaysian Ringgit	**-**	-	**6,195**	1,757
Others	**-**	-	**179**	138
	42	31	**63,031**	63,712

The short term bank deposits have an average maturity of 3 months (2019 - 3 months) from the end of the financial year with the following weighted average effective interest rates:

The Group	**2020**	2019
United States Dollar	**0.18% to 0.92%**	1.10% to 2.70%
Renminbi	**1.38%**	2.30%
Malaysia Ringgit	**1.15%**	1.60% to 2.50%

18 Share capital

	No. of ordinary shares		Amount	
The Company and The Group	**2020 '000**	2019 '000	**2020 A$'000**	2019 A$'000
Authorised:				
Ordinary shares of A$0.05 (2019 - A$0.05) each	**2,000,000**	2,000,000	**100,000**	100,000
Issued and fully paid:				
Ordinary shares of A$0.05 (2019 - A$0.05) each				
At 1 January and 31 December	**738,623**	738,623	**36,931**	36,931

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

19 Treasury shares

	No. of ordinary shares		Amount	
The Company and The Group	**2020 '000**	2019 '000	**2020 A$'000**	2019 A$'000
At 1 January and 31 December	**1,933**	1,933	**2,330**	2,330

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the year, the Company acquired Nil shares (2019 - Nil shares) in the Company through on-market purchase on the Australian Securities Exchange.

20 Reserves

		The Company		The Group	
		31 December 2020 A$'000	31 December 2019 A$'000	**31 December 2020 A$'000**	31 December 2019 A$'000
Share premium	[Note (i)]	**178,363**	178,363	**178,363**	178,363
Non-distributable reserves	[Note (ii)]	**-**	-	**8,868**	8,868
Capital reserve	[Note (iii)]	**-**	-	**16,064**	16,064
Contributed surplus	[Note (iv)]	**3,312**	3,312	**-**	-
Hedging reserve	[Note (v)]	**-**	-	**(4,911)**	(5,851)
Exchange fluctuation reserve	[Note (vi)]	**-**	-	**6,021**	30,181
Retained profits/ (Accumulated losses)	[Note (vii)]	**(133,367)**	(122,213)	**160,637**	162,652
		48,308	59,462	**365,042**	390,277
Share premium					
At 1 January and 31 December		**178,363**	178,363	**178,363**	178,363
Non-distributable reserve					
At 1 January and 31 December		**-**	-	**8,868**	8,868
Capital reserve					
At 1 January		**-**	(620)	**16,064**	15,444
Buy-back of warrants		**-**	-	**-**	-
Write off of warrants (Note 28)		**-**	620	**-**	620
At 31 December		**-**	-	**16,064**	16,064
Contributed surplus					
At 1 January and 31 December		**3,312**	3,312	**-**	-
Hedging reserve					
At 1 January		**-**	-	**(5,851)**	(6,540)
Cash flow hedges		**-**	-	**940**	689
At 31 December		**-**	-	**(4,911)**	(5,851)
Exchange fluctuation reserve					
At 1 January		**-**	-	**30,181**	29,769
Currency translation differences		**-**	-	**(24,160)**	412
At 31 December		**-**	-	**6,021**	30,181
Retained profits/(Accumulated losses)					
At 1 January		**(122,213)**	(95,501)	**162,652**	128,112
(Loss)/profit for the year		**(3,787)**	(4,611)	**5,352**	56,641
Dividends paid	[Note (viii)]	**(7,367)**	(22,101)	**(7,367)**	(22,101)
At 31 December		**(133,367)**	(122,213)	**160,637**	162,652

20 Reserves (Cont'd)

Notes:

(i) The share premium reserve comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.

(ii) In accordance with the accounting principles and financial regulations applicable to Sino-foreign joint venture enterprises, the subsidiaries in the PRC are required to transfer part of their profits after tax to the "Statutory Reserves Fund", the "Enterprise Expansion Fund" and the "Staff Bonus and Welfare Fund", which are non-distributable, before profit distributions to joint venture partners. The quantum of the transfers is subject to the approval of the board of directors of these subsidiaries.

The annual transfer to the Statutory Reserves Fund should not be less than 10% of profit after tax, until it aggregates to 50% of the registered capital. However, foreign enterprises may choose not to appropriate profits to the Enterprise Expansion Fund.

The Statutory Reserves Fund can be used to make good previous years' losses while the Enterprise Expansion Fund can be used for the acquisition of property, plant and equipment and financing daily funds required. The Staff Bonus and Welfare Fund is utilised for employees collective welfare benefits and is included in other payables under current liabilities in the statements of financial position.

(iii) The capital reserve arose from the capitalisation of various reserves and retained profits in one of the Sino-foreign joint ventures of the Group. The purpose of the capitalisation is to increase the registered capital of the joint venture.

The Company wrote off an amount of A$620,000 (equivalent to US$500,000) as a result of the expiry of the 26,000,000 unlisted warrants on 25 March 2019.

(iv) The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued for acquisition of the subsidiaries and the aggregate net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus can be distributable to shareholders under certain circumstances. At the Group level, the contributed surplus is eliminated against the cost of investment in subsidiaries.

(v) The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated hedging reserves is reclassified to the profit or loss when the forecast transaction is ultimately recognised in the profit or loss.

(vi) The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries and associates stated in a currency different from the Group's presentation currency.

(vii) Retained earnings comprise the distributable reserves recognised in the preceding year less any dividend declared. The total of such profits brought forward and the profit derived during the period constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

(viii)

The Group and The Company	**2020 A$'000**	2019 A$'000
Final tax-exempt (one-tier) dividend of 0.01 cents per share for 2019	**7,367**	-
Interim tax-exempt (one-tier) dividend of 0.01 cents per share for 2019	**-**	7,367
Final tax-exempt (one-tier) dividend of 0.02 cents per share for 2018	**-**	14,734
	7,367	22,101

21 Borrowings

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
Non-current				
Bank loans (Note 21.1)	**-**	-	**275,360**	357,049
5% Convertible Note (Note 21.2)	**-**	15,029	**-**	15,029
Other loans (Note 21.3)	**-**	-	**13,893**	15,199
	-	15,029	**289,253**	387,277
Structuring and arrangement fee	**-**	-	**(974)**	(1,728)
	-	15,029	**288,279**	385,549
Current				
Bank loans (Note 21.1)	**-**	-	**103,184**	80,573
5% Convertible Note (Note 21.2)	**14,003**	-	**14,003**	-
Other loans (Note 21.3)	**-**	-	**10,177**	9,048
	14,003	-	**127,364**	89,621
Structuring and arrangement fee	**-**	-	**(598)**	(1,252)
	14,003	-	**126,766**	88,369
	14,003	15,029	**415,045**	473,918

21.1 Bank loans

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
Bank loans, unsecured	**-**	-	**3,796**	-
Bank loans, secured [Note (a)]	**-**	-	**6,764**	2,044
Bank loans, secured [Note (b)]	**-**	-	**1,622**	-
Bank loans, secured [Note (c)]	**-**	-	**366,362**	435,578
	-	-	**378,544**	437,622
Amount repayable not later than one year	**-**	-	**103,184**	80,573
Amount repayable after one year:				
Later than one year and not later than five years	**-**	-	**275,360**	344,392
Later than five years	**-**	-	**-**	12,657
	-	-	**275,360**	357,049
	-	-	**378,544**	437,622

21 Borrowings (Cont'd)

21.1 Bank loans (Cont'd)

Notes:

(a) These loans are secured by charges over certain bank deposits as disclosed in Note 17.

(b) These loans are secured by a charge over land and buildings and certain bank deposits, as disclosed in Note 4 and Note 17 respectively.

(c) These loans are secured by:

- shares of OM Materials (Sarawak) Sdn Bhd, a company incorporated in Malaysia;
- a charge over certain bank accounts;
- a charge over land use rights;
- a debenture;
- a borrower assignment;
- an assignment of insurances;
- a shareholder assignment;
- an assignment of reinsurances; and
- a corporate guarantee from OM Holdings Limited and Chaya Mata Sarawak Berhad (holds 25% ownership interest in OM Materials (Sarawak) Sdn Bhd).

21.2 5% Convertible Note

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
5% Convertible Note:				
Due not later than one year	**14,003**	-	**14,003**	-
Due later than one year and not later than five years	**-**	15,029	**-**	15,029
	14,003	15,029	**14,003**	15,029

On 7 March 2012, the Company issued to Hanwa Co. Ltd 25,000,000 convertible notes at an aggregate principal amount of A$19,945,953 (US$21,447,261) with a nominal interest of 5% per annum, due on 6 March 2016 and convertible in accordance with the terms and conditions of issue including an initial conversion price of A$0.80 per share. On 4 March 2016, the Company executed an amendment and restatement agreement with Hanwa Co. Ltd to extend the Convertible Note terms for a further 4 years to 6 March 2020, which was assessed and accounted for as a non-substantial modification of the original financial liability. The conversion option was not recognised as a derivative financial instrument because the fair value was assessed to be insignificant.

In March 2018, the convertible notes on issue were reduced from 25,000,000 to 20,000,000 following the redemption of 20% of the convertible notes for US$4,290,000 (equivalent to approximately A$5,500,000).

In April 2018, the convertible notes on issue were reduced further from 20,000,000 to 17,435,500 following the redemption by the Company of a further 10.26% of the original convertible notes for US$2,200,000 (equivalent to approximately A$2,900,000).

In February 2019, the convertible notes on issue were reduced further from 17,435,500 to 12,500,000 following the redemption by the Company of 19.74% of the original convertible notes for US$4,234,000 (equivalent to approximately A$5,826,000).

In December 2019, the Company executed an amendment and restatement agreement with Hanwa Co. Ltd to extend the Convertible Note terms for a further 1 year to 6 March 2021, which was assessed and accounted for as a non-substantial modification of the original financial liability. The conversion option was not recognised as a derivative financial instrument because the fair value was assessed to be insignificant. The Convertible Note was settled after the financial year (Note 42).

21 Borrowings (Cont'd)

21.3 Other loans

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Shareholder loan, unsecured [Note (a)]	**-**	-	**2,857**	3,067
Shareholder loan, unsecured [Note (b)]	**-**	-	**10,177**	9,048
Third party loan, secured [Note (c)]	**-**	-	**11,036**	12,132
	-	-	**24,070**	24,247
Amount repayable not later than one year	**-**	-	**10,177**	9,048
Amount repayable after one year:				
Later than one year and not later than five years	**-**	-	**11,036**	12,132
Later than five years	**-**	-	**2,857**	3,067
	-	-	**13,893**	15,199
	-	-	**24,070**	24,247

Notes:

(a) These loans are unsecured. None of the shareholders are entitled to demand or receive payment or any distribution in respect of any shareholders' loans from the Group. Repayment may be made subject to satisfaction of pre-agreed tests typical for a project financing of this nature.

(b) The loan is unsecured and repayable on demand.

(c) The loan is secured by a corporate guarantee from OM Holdings Limited. As at 31 December 2019, the loan was repayable on 4 January 2021. In December 2020, the repayment date was extended to 4 January 2022.

21.4 Currency risk

Total borrowings are denominated in the following currencies:

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
United States Dollar	**14,003**	15,029	**337,745**	382,591
Malaysian Ringgit	**-**	-	**75,678**	91,327
Others	**-**	-	**1,622**	-
	14,003	15,029	**415,045**	473,918

21.5 Effective interest rates

The weighted average effective interest rates of total borrowings at the end of the reporting period are as follows:

	The Company		The Group	
	2020	2019	**2020**	2019
	Per annum		Per annum	
Bank loans (Note 21.1)	**-**	-	**0.41% to 6.87%**	2.67% to 7.19%
5% convertible note (Note 21.2)	**9.00%**	9.00%	**9.00%**	9.00%
Other loans (Note 21.3)	**-**	-	**1.53% to 5.95%**	3.20% to 5.95%

21 Borrowings (Cont'd)

21.6 Carrying amounts and fair values

The carrying amounts of current borrowings approximate their fair value. The carrying amounts and fair values of non-current borrowings were as follows:

	The Company		The Group	
	Carrying amounts A$'000	Fair values A$'000	Carrying amounts A$'000	Fair values A$'000
2020				
Bank loans	**-**	**-**	**275,360**	**273,840**
Other loans	**-**	**-**	**13,893**	**13,893**
2019				
Bank loans	-	-	357,049	334,608
5% convertible note	15,029	15,024	15,029	15,024
Other loans	-	-	15,199	15,199

The fair values above are determined from the discounted cash flow analysis, discounted at market borrowing rates (per annum) of an equivalent instrument at the end of the reporting period which the Directors expect to be available to the Group.

22 Lease liabilities

The Group	**2020 A$'000**	2019 A$'000
Undiscounted lease payments due:		
- Year 1	**1,336**	6,296
- Year 2	**332**	1,045
- Year 3	**103**	118
- Year 4 and onwards	**-**	2
	1,771	7,461
Less: Unearned interest cost	**(101)**	(369)
Lease liabilities	**1,670**	7,092
Presented as:		
- Non-current	**415**	1,102
- Current	**1,255**	5,990
	1,670	7,092

Interest expense on lease liabilities of A$306,000 (2019 - A$591,000) is recognised within "finance costs" in the profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "operating expenses" in the profit or loss are set out below:

The Group	**2020 A$'000**	2019 A$'000
Short-term leases	**9,865**	5,614
Leases of low-value assets	**454**	60

Total cash outflows for all leases in the year amounted to A$6,547,000 (2019 - A$7,006,000).

22 Lease liabilities (Cont'd)

As at 31 December 2020, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Further information about the financial risk management are disclosed in Note 38.

Lease liabilities are denominated in the following currencies:

The Group	**2020 A$'000**	2019 A$'000
Australian Dollar	**613**	3,666
Malaysian Ringgit	**730**	2,593
Others	**327**	833
	1,670	7,092

23 Trade and other payables

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Non-current				
Trade payables - third party	**-**	-	**54,530**	53,537
Other payables	**-**	-	**232**	3,617
Retention monies	**-**	-	**29**	3,076
	-	-	**54,791**	60,230
Current				
Trade payables				
- third party	**-**	-	**114,433**	65,954
- associate	**-**	-	**-**	3,964
	-	-	**114,433**	69,918
Amount due to subsidiaries (non-trade)	**55,280**	52,117	**-**	-
Accruals	**1,673**	1,880	**9,417**	6,808
Other payables	**258**	6	**23,103**	27,602
Retention monies	**-**	-	**2,820**	54
Welfare expense payable	**-**	-	**2,295**	1,674
Interest payables	**677**	-	**3,692**	7,112
	57,888	54,003	**41,327**	43,250
	57,888	54,003	**155,760**	113,168
Total	**57,888**	54,003	**210,551**	173,398

Non-current trade payables relate to payables to vendors which bear interest of 5.5% (2019 - 6%) per annum.

The current amount due to subsidiaries (non-trade) represents advances which are unsecured, interest-free and repayable on demand.

23 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Australian Dollar	**39,884**	35,544	**14,340**	7,009
Renminbi	**-**	-	**11,440**	8,851
United States Dollar	**17,622**	18,373	**37,400**	37,564
Malaysian Ringgit	**182**	-	**145,121**	119,759
Others	**200**	86	**2,250**	215
	57,888	54,003	**210,551**	173,398

All trade payables are generally on 30 to 120 (2019 - 30 to 120) days' credit terms.

The carrying amounts of current trade and other payables approximate their fair value. The carrying amounts and fair values of non-current trade and other payables are as follows:

	The Company		The Group	
	Carrying amounts A$'000	Fair values A$'000	Carrying amounts A$'000	Fair values A$'000
2020				
Trade payables - third party	**-**	**-**	**54,530**	**54,530**
Other payables	**-**	**-**	**232**	**232**
Retention monies	**-**	**-**	**29**	**29**
2019				
Trade payables - third party	-	-	53,537	53,537
Other payables	-	-	3,617	3,617
Retention monies	-	-	3,076	3,076

24 Provisions

The Group	**2020 A$'000**	2019 A$'000
<u>Rehabilitation</u>		
At beginning of the year	**14,453**	9,931
Additions	**-**	4,522
Adjustments from mine development costs (Note 7)	**(132)**	-
Utilisation	**(1,646)**	-
At end of the year	**12,675**	14,453
Non-current	**10,869**	14,453
Current	**1,806**	-
	12,675	14,453

According to the Mine Management and Environmental Management Plans submitted to the Northern Territory Government in Australia, the Group is obligated for the rehabilitation and restoration of areas disturbed arising from mining activities conducted by a wholly-owned subsidiary, OM (Manganese) Ltd. Mine rehabilitation costs are provided for at the present value of future expected expenditure when the liability is incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on the rates outlined by the Northern Territory Department of Industry, Tourism and Trade using current restoration standards and techniques.

25 Deferred capital grant

The Group	2020 A$'000	2019 A$'000
Government grant	**11,466**	13,414
Non-current	**10,730**	12,605
Current	**736**	809
	11,466	13,414

A government grant was awarded for the construction of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached. The movement in the deferred capital grant is due to amortisation costs of A$817,000 (2019 - A$814,000) (Note 28) and foreign currency translation differences.

26 Contract liabilities

The Group	2020 A$'000	2019 A$'000
Transportation of goods sold under CFR and CIF Incoterms	**6,064**	4,859

The Group's contract liabilities relate to the Group's obligation to transport goods sold to customers under CFR and CIF Incoterms for which the Group has received advance payments from these customers.

Unsatisfied performance obligations in relation to contract liabilities at the end of the reporting period are:

The Group	2020 A$'000	2019 A$'000
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied at the end of the year	**6,064**	4,859

The Group expects that 100% of the transaction price allocated to the unsatisfied performance obligations at the end of the current year may be recognised as revenue during the next reporting period.

27 Other income

The Group	2020 A$'000	2019 A$'000
Interest income from banks	**691**	898
Commission income	**2,189**	2,395
Fair value gain on other investment (Note 13)	**1,388**	-
Government grant	**735**	-
Sundry income	**1,753**	1,041
	6,756	4,334

28 (Loss)/profit before income tax

The Group	Note	**2020 A$'000**	2019 A$'000
(Loss)/Profit before income tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment:			
- cost of sales		**27,630**	34,043
- other operating expenses		**15,655**	8,326
	4	**43,285**	42,369
Loss on disposal of property, plant and equipment [1]		**-**	121
Write off of property, plant and equipment [1]		**36**	121
Amortisation of land use rights [1]	5	**206**	204
Write off of exploration and evaluation costs [1]	6	**-**	2,706
Amortisation of mine development costs [1]	7	**6,505**	5,147
Depreciation of investment property [1]	8	**11**	11
Depreciation of right-of-use assets [1]	9	**5,644**	6,156
Cost of inventories recognised as expenses and included in cost of sales	14	**688,371**	874,001
Write-down of inventories to net realisable value [1]	14	**3,397**	-
Impairment loss on trade and other receivables [1]	15	**-**	278
Unwinding of discount on non-current trade payables [1]		**268**	1,128
Write off of warrants [1]	20	**-**	620
Amortisation of deferred capital grant [2]	25	**(817)**	(814)
Fair value gain on other investment	13, 27	**(1,388)**	-
Foreign exchange (gain)/loss – net [1]		**(574)**	3,809
Lease modification [1]		**296**	-
Rental expenses:			
- short-term leases		**9,865**	5,614
- leases of low-value assets		**454**	60
Finance costs:			
- loans		**27,309**	28,832
- lease liabilities		**306**	591
- others		**1,212**	2,797
		28,827	32,220
Employee benefits expenses	32	**70,238**	81,850

(1) These are included under "Other operating expenses" in the Consolidated Statement of Comprehensive Income.

(2) This is included under "Cost of sales" in the Consolidated Statement of Comprehensive Income.

29 Income tax

A provision for enterprise income tax on the subsidiaries operating in the People's Republic of China ("PRC") has been made in accordance with the Income Tax Law of PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

A Global Trader Programme is granted by the Singapore Ministry of Trade and Industry to a Singapore subsidiary, OM Materials (S) Pte. Ltd., for a concessionary rate of 10% valid up to December 2023, subject to the fulfilment of specific conditions.

In November 2017, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") was awarded Pioneer Status by the Malaysian Investment Development Authority ("MIDA"), which entitles OM Sarawak exemption from tax for a period of 5 years effective 1 December 2017 to 30 November 2021 on 100% of statutory income derived from the production of ferro-silicon, silicon manganese and high carbon ferromanganese. OM Sarawak is permitted to apply for an additional 5 years exemption on 70% of its statutory income on or before 31 December 2022 subject to the satisfaction of MIDA on pre-agreed criterion of this nature.

Taxation has been provided at the appropriate tax rates prevailing in Australia, Singapore, Malaysia, Hong Kong and PRC in which the Group operates on the estimated assessable profits for the year. These rates generally range from 17% to 30% for the reporting period.

The Group	**2020 A$'000**	2019 A$'000
Current taxation:		
- Singapore income tax (concessionary tax rate of 10%)	**3,292**	2,594
- PRC tax (tax rate of 25%)	**(127)**	647
- Australia income tax (tax rate of 30%)	**-**	2,856
- Other jurisdictions	**384**	364
Deferred taxation	**(5,765)**	(13,575)
	(2,216)	(7,114)
(Over)/under provision in prior years:		
- current taxation	**(2,599)**	1,134
- deferred taxation	**2,693**	-
Income tax	**(2,122)**	(5,980)
Other taxation:		
- withholding tax	**406**	6,629
- profits-based royalty and special mining taxes	**(2)**	2,200
	(1,718)	2,849

A reconciliation of the income tax applicable to the accounting profit at the statutory income tax rates to the income tax expense for the reporting period was as follows:

The Group	**2020 A$'000**	2019 A$'000
(Loss)/profit before income tax	**(4,656)**	58,921
Tax at applicable tax rates	**(2,960)**	9,410
Tax effect of non-taxable revenue	**(317)**	(118)
Tax effect of non-deductible expenses	**3,490**	2,312
Tax effect of allowances and concessions given by tax jurisdictions	**(2,392)**	(2,093)
Deferred tax assets on temporary difference not recognised	**3,173**	30
Utilisation of deferred tax assets on temporary difference not recognised in previous years	**(714)**	(12,088)
Effects of share of results of associates	**(2,480)**	(4,557)
Tax rebate	**(16)**	(10)
Under provision in prior years	**94**	1,134
	(2,122)	(5,980)

(1) Non-taxable revenue relates mainly to unrealised exchange gains.
(2) Non-deductible expenses relate mainly to depreciation and amortisation of non-qualifying assets, overseas accrued interest expenses and provision of expenses.

30 Cash flow hedges

The Group	**2020 A$'000**	2019 A$'000
Cash flow hedges:		
Gain arising during the year	**1,253**	919

31 Profit per share

The Group

Basic profit per share is calculated based on the consolidated profit attributable to owners of the parent divided by the weighted average number of shares on issue of 736,690,000 (2019 - 736,690,000) shares during the financial year.

Fully diluted profit per share was calculated on the consolidated profit attributable to owners of the parent divided by 736,690,000 (2019 - 736,690,000) ordinary shares. The number of ordinary shares was calculated based on the weighted average number of shares on issue during the financial year adjusted for the effects of all dilutive convertible bonds and warrants. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

For calculation of diluted earnings per share in 2019 and 2020, the convertible bonds are not included because they are anti-dilutive. These convertible bonds can potentially dilute basic earnings per share in the future.

The following table reflects profit or loss and share data used in the computation of basic and diluted profit per share from continuing operations for the years ended 31 December:

The Group	**2020 '000**	2019 '000
Weighted average number of ordinary shares for the purpose of basic profit per share	**736,690**	736,690
Effect of dilutive potential ordinary shares:		
Convertible bonds	**-**	-
Weighted average number of ordinary shares for the purpose of diluted profit per share	**736,690**	736,690

Profit figures were calculated as follows:

	2020 A$'000	2019 A$'000
Profit for the year attributable to owners of the Company	**5,352**	56,641
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	**-**	-
Profit for the purposes of diluted profit per share	**5,352**	56,641

32 Employee benefits expense

The Group	**2020 A$'000**	2019 A$'000
Directors' fees	**693**	610
Directors' remuneration other than fees:		
- Directors of the Company	**1,540**	2,547
- Directors of the subsidiaries	**1,418**	1,314
- Defined contributions plans	**76**	69
Key management personnel (other than Directors):		
- Salaries, wages and other related costs	**4,087**	4,857
- Defined contributions plans	**376**	350
	8,190	9,747
Other than key management personnel:		
- Salaries, wages and other related costs	**57,145**	66,897
- Defined contributions plans	**4,903**	5,206
	70,238	81,850

33 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following amounts are transactions with related parties based upon commercial arm's length terms and conditions:

The Group	**2020 A$'000**	2019 A$'000
Commission charged to an associate	**2,665**	2,395
Commission charged by an associate	**(400)**	(575)
Sales of goods to an associate	**1,691**	147
Purchases of goods from an associate	**(86,624)**	(93,831)

34 Leases

(i) The Group as lessee

(a) Properties

The Group leases several buildings including a warehouse for operational and storage purposes (Note 9).

The Group makes prepayments for usage of land in the PRC and Malaysia under leasing agreements where the Group constructs buildings and infrastructure for office and operational use.

There are no externally imposed covenants on these property lease arrangements.

(b) Plant and machinery, office equipment and motor vehicles

The Group makes monthly lease payments to acquire plant and machinery and office equipment used for manufacturing and operational activities. The Group also acquires motor vehicles under hire purchase arrangements to render internal logistics support. These plant and machinery, office equipment and motor vehicles are recognised as the Group's right-of-use assets (Note 9). The lease agreements for plant and machinery, office equipment and motor vehicles prohibit the Group from subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 22 respectively.

34 Leases (Cont'd)

(ii) The Group as lessor

Investment property

Operating leases, in which the Group as the lessor, relate to investment property (Note 8) owned by the Group with a lease term of 13 months. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group's revenue from rental income received on the investment properties are disclosed in Note 8.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

The Group	**2020 A$'000**	2019 A$'000
Undiscounted lease payments to be received:		
- Year 1	**127**	127
- Year 2	**11**	10
	138	137

35 Commitments

35.1 Capital commitments

The following table summarises the Group's capital commitments:

The Group	**2020 A$'000**	2019 A$'000
Capital expenditure contracted but not provided for in the financial statements:		
- acquisition of property, plant and equipment	**872**	18,856

35.2 Other operating commitments

Other contracted operating commitments represent the provision of processing services, catering, cleaning and village management, electrical power services, road haulage and rail haulage. These commitments are contracted for but not provided for in the financial statements.

The Group	**2020 A$'000**	2019 A$'000
Not later than one year	**3,807**	14,386
Later than one year and not later than five years	**-**	1,883
Later than five years	**-**	-
	3,807	16,269

35.3 Mineral Tenements

In order to maintain the mineral tenements in which a subsidiary is involved, the subsidiary has committed to fulfil the minimum annual expenditures in accordance with the requirements of the Northern Territory Department of Industry, Tourism and Trade for the next financial year, as set out below:

The Group	**2020 A$'000**	2019 A$'000
Mineral tenements annual expenditure commitments	**101**	210

35 Commitments (Cont'd)

35.4 Environmental bonds

A subsidiary had environmental bonds to the value of A$14,553,000 (2019 – A$13,927,000) lodged with the Northern Territory Government (Department of Industry, Tourism and Trade) to secure environmental rehabilitation commitments. The A$14,553,000 (2019 – A$13,927,000) of bonds are secured by A$12,973,000 (2019 - A$12,347,000) of bonds issued under financing facilities and certain cash backed as disclosed in Note 17.

36 Other matters

Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat Sesco Berhad

Pursuant to the execution of the Amended Power Purchase Agreement ("PPA") between a subsidiary, OM Materials (Sarawak) Sdn. Bhd., and Syarikat Sesco Berhad ("SSB"), the Company issued sponsor guarantees to SSB for its 75% interest of the subsidiary's obligations under the PPA.

The sponsor guarantees disclosed above do not fall into the category of financial guarantees as they do not relate to debt instruments. The purpose of these guarantees is essentially to enable SSB to provide the power supply to the subsidiary on the condition that these guarantees are provided by the Company in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Materials (Sarawak) Sdn Bhd, a subsidiary of the Company entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility.

Concurrently, the Company also executed a Project Support Agreement ("PSA") with OM Materials (Sarawak) Sdn Bhd (as Borrower), and the ultimate shareholders of the Borrower (as Obligors). The PSA governs the rights and obligations of the Obligors. These obligations and liabilities of the Obligors are severally liable on the basis of its shareholding proportion in OM Materials (Sarawak) Sdn. Bhd.

The PSA will lapse upon the final payment of the project financing facilities.

37 Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon and manganese sinter ore
Marketing and Trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon and sinter ore, chrome ore and iron ore

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the finance income and costs, share of results of associate, which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Sales between operating segments are carried out at arm's length.

Segment performance is evaluated based on the operating profit or loss which in certain respects, as set out below, is measured differently from the operating profit or loss in the consolidated financial statements.

37 Operating segments (Cont'd)

	Mining		Smelting		Marketing and Trading		Others		Total	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000	**2020 A$'000**	2019 A$'000	**2020 A$'000**	2019 A$'000	**2020 A$'000**	2019 A$'000
Reportable segment revenue										
Sales to external customers	**1,042**	2,651	**197,295**	315,973	**586,296**	707,830	**-**	-	**784,633**	1,026,454
Inter-segment sales	**84,863**	136,815	**351,408**	418,637	**129,775**	179,449	**14,006**	4,520	**580,052**	739,421
Elimination									**(580,052)**	(739,421)
	85,905	139,466	**548,703**	734,610	**716,071**	887,279	**14,006**	4,520	**784,633**	1,026,454
Reportable segment (loss)/profit	**(19,919)**	20,770	**(5,357)**	23,462	**32,833**	20,782	**(602)**	(5,152)	**6,955**	59,862
Reportable segment assets	**99,151**	109,633	**895,887**	997,622	**449,772**	460,708	**182,568**	188,246	**1,627,378**	1,756,209
Elimination									**(620,764)**	(669,827)
Investment in associates									**126,832**	116,358
Total assets									**1,133,446**	1,202,740
Reportable segment liabilities	**172,257**	167,017	**602,732**	644,340	**185,002**	199,265	**92,234**	93,171	**1,052,225**	1,103,793
Elimination									**(387,018)**	(408,921)
Total liabilities									**665,207**	694,872
Other segment information										
Purchase of property, plant and equipment	**455**	8,725	**14,602**	66,281	**94**	56	**339**	1,502	**15,490**	76,564
Depreciation of property, plant and equipment	**8,832**	7,444	**33,489**	34,201	**191**	190	**773**	534	**43,285**	42,369
Write off of property, plant and equipment	**36**	-	**-**	100	**-**	21	**-**	-	**36**	121
Loss/(gain) on disposal of property, plant and equipment	**-**	120	**-**	22	**-**	(21)	**-**	-	**-**	121
Lease modification	**296**	-	**-**	-	**-**	-	**-**	-	**296**	-
Amortisation of land use rights	**-**	-	**206**	204	**-**	-	**-**	-	**206**	204
Addition of evaluation and exploration costs	**1,200**	1,724	**-**	-	**-**	-	**163**	137	**1,363**	1,861
Addition of mine development costs	**-**	4,522	**-**	-	**-**	-	**-**	-	**-**	4,522
Amortisation of mine development costs	**6,505**	5,147	**-**	-	**-**	-	**-**	-	**6,505**	5,147
Depreciation of right-of-use assets	**2,813**	2,565	**2,184**	3,122	**456**	451	**191**	18	**5,644**	6,156
Depreciation of investment property	**-**	-	**-**	-	**11**	11	**-**	-	**11**	11
Write off of evaluation and exploration costs	**-**	724	**-**	-	**-**	-	**-**	1,982	**-**	2,706
Fair value gain on other investment	**-**	-	**-**	-	**(1,388)**	-	**-**	-	**(1,388)**	-
Write-down of inventories to net realisable value	**2,973**	-	**424**	-	**-**	-	**-**	-	**3,397**	-
Impairment loss on trade and other receivables	**-**	-	**-**	-	**-**	-	**-**	278	**-**	278
Amortisation of deferred capital grant	**-**	-	**(817)**	(814)	**-**	-	**-**	-	**(817)**	(814)

37 Operating segments (Cont'd)

Reconciliation of the Group's reportable segment profit to the profit before income tax is as follows:

The Group	**2020 A$'000**	2019 A$'000
Reportable segment profit	**6,955**	59,862
Finance income	**691**	898
Share of results of associates	**16,525**	30,381
Finance costs	**(28,827)**	(32,220)
(Loss)/profit before income tax	**(4,656)**	58,921

The Group's revenues from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		**Non-current assets**	
	2020 A$'000	2019 A$'000	**2020 A$'000**	2019 A$'000
Asia Pacific	**675,954**	857,746	**645,141**	740,481
Europe	**42,875**	79,522	**-**	-
Middle East	**49,511**	39,681	**-**	-
Africa	**3,220**	1,911	**126,803**	116,302
Others	**13,073**	47,594	**-**	-
	784,633	1,026,454	**771,944**	856,783

The geographical location of customers is based on the locations at which the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

38 Financial risk management objectives and policies

The Company and the Group are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

38.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade receivables, cash and cash equivalents and other financial assets. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

38 Financial risk management objectives and policies (Cont'd)

38.1 Credit risk (Cont'd)

Exposure to credit risk

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Company's and the Group's major classes of financial assets are bank deposits and trade receivables. Cash is held with reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 15.

Guarantees

The Company provides corporate guarantees to its subsidiaries on their bank borrowings. The Company's maximum exposure to credit risk in respect of the intra-group corporate guarantees at the reporting date is equal to the facilities drawn down by the subsidiaries in the amounts of A$505,000,000 (2019 - A$565,000,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these intragroup corporate guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

Undrawn credit facilities

The Group has undrawn credit facilities of approximately A$11,150,000 (2019 - A$39,730,000) at the reporting date.

38.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

38 Financial risk management objectives and policies (Cont'd)

38.2 Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year A$'000	Between 2 and 5 years A$'000	Over 5 years A$'000	Total A$'000	Total carrying amount A$'000
The Group					
As at 31 December 2020					
Trade and other payables	**155,760**	**54,874**	**-**	**210,634**	**210,551**
Borrowings	**128,631**	**320,346**	**2,856**	**451,833**	**415,045**
Lease liabilities	**1,336**	**435**	**-**	**1,771**	**1,670**
	285,727	**375,655**	**2,856**	**664,238**	**627,266**
As at 31 December 2019					
Trade and other payables	113,168	60,580	-	173,748	173,398
Borrowings	112,132	444,908	3,067	560,107	473,918
Lease liabilities	6,296	1,165	-	7,461	7,092
	231,596	506,653	3,067	741,316	654,408
The Company					
As at 31 December 2020					
Trade and other payables	**57,888**	**-**	**-**	**57,888**	**57,888**
Borrowings	**14,154**	**-**	**-**	**14,154**	**14,003**
	72,042	**-**	**-**	**72,042**	**71,891**
Intragroup financial guarantees	**505,000**	**-**	**-**	**505,000**	**-**
As at 31 December 2019					
Trade and other payables	54,003	-	-	54,003	54,003
Borrowings	-	16,092	-	16,092	15,029
	54,003	16,092	-	70,095	69,032
Intragroup financial guarantees	565,000	-	-	565,000	-

The table analyses the financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group has various lines of credit with major financial institutions for the purpose of drawing upon short term borrowings, through the pledging of bills receivables or inventories. Further, management closely monitors the Group's capital structure to ensure that there are adequate funds to meet all its obligations in a timely and cost effective manner.

The Group manages its liquidity risk by ensuring there are sufficient cash and current assets to meet all their normal operating commitments in a timely and cost-effective manner and having adequate amount of credit facilities. The Group has the ability to generate additional working capital through financing from financial institutions.

38 Financial risk management objectives and policies (Cont'd)

38.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from their bank borrowings, cash collaterals and fixed deposits.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if United States Dollar ("USD"), Renminbi ("RMB") and Malaysian Ringgit ("MYR") interest rates had been 75 (2019 - 75) basis points lower/higher with all other variables held constant, the Company's and the Group's profit net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on bank borrowings and higher/lower interest income on cash and bank balances.

		The Company Resulting effect: profit/(loss)		The Group Resulting effect: profit/(loss)	
		2020	2019	**2020**	2019
		A$'000	A$'000	**A$'000**	A$'000
United States Dollar (USD)	- lower 75 basis points (2019 - 75 basis points)	**105**	113	**1,822**	2,006
	- higher 75 basis points (2019 - 75 basis points)	**(105)**	(113)	**(1,822)**	(2,006)
Renminbi (RMB)	- lower 75 basis points (2019 - 75 basis points)	**-**	-	**(57)**	(72)
	- higher 75 basis points (2019 - 75 basis points)	**-**	-	**57**	72
Malaysian Ringgit (MYR)	- lower 75 basis points (2019 - 75 basis points)	**-**	-	**396**	511
	- higher 75 basis points (2019 - 75 basis points)	**-**	-	**(396)**	(511)

38.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group operates and sells its products in several countries and transacts in foreign currencies. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to USD, RMB and MYR.

38 Financial risk management objectives and policies (Cont'd)

38.4 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and MYR exchange rates against AUD, with all other variables held constant, of the Company's and the Group's (loss)/profit after income tax and equity.

		2020		2019	
The Group		**Resulting effect - profit/ (loss) A$'000**	**(Decrease)/ increase in Equity A$'000**	Resulting effect - profit/ (loss) A$'000	(Decrease)/ increase in Equity A$'000
United States Dollar	- strengthened 5% (2019 - 5%)	**(15,333)**	**(13,131)**	(17,687)	(17,525)
	- weakened 5% (2019 - 5%)	**15,333**	**13,131**	17,687	17,525
Renminbi	- strengthened 5% (2019 - 5%)	**380**	**376**	343	341
	- weakened 5% (2019 - 5%)	**(380)**	**(376)**	(343)	(341)
Malaysian Ringgit	- strengthened 5% (2019 - 5%)	**(10,745)**	**(10,512)**	(10,585)	(10,603)
	- weakened 5% (2019 - 5%)	**10,745**	**10,512**	10,585	10,603
The Company					
United States Dollar	- strengthened 5% (2019 - 5%)	**(1,581)**	**(1,354)**	(1,670)	(1,655)
	- weakened 5% (2019 - 5%)	**1,581**	**1,354**	1,670	1,655

38.5 Market price risk

The Group is exposed to equity risks arising from its equity investments carried at FVTPL. If equity prices had been 10% higher/ lower, the Group's net profit for the year ended 31 December 2020 would increase/decrease by $189,000 (2019 - A$Nil).

39 Capital risk management

The Company's and the Group's objectives when managing capital are:

- to safeguard the Company's and the Group's abilities to continue as a going concern;
- to support the Company's and the Group's stability and growth;
- to provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and
- to provide an adequate return to shareholders.

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company and the Group, is reasonable.

39 Capital risk management (Cont'd)

The Company and the Group monitor capital using a gearing ratio, which is net debt divided by total equity:

	The Company		The Group	
	2020	2019	**2020**	2019
	A$'000	A$'000	**A$'000**	A$'000
Borrowings	**14,003**	15,029	**415,045**	473,918
Less: Cash and bank balances	**(42)**	(31)	**(63,031)**	(63,712)
Net debt	**13,961**	14,998	**352,014**	410,206
Total equity	**82,909**	94,063	**468,239**	507,868
Gearing ratio	**0.17**	0.16	**0.75**	0.81

There were no changes in the Company's and the Group's approach to capital management during the year.

40 Financial instruments

Accounting classifications of financial assets and financial liabilities

	Note	Debt instruments (at amortised cost)	Equity instruments (at FVTPL)	Total
31 December 2020		A$'000	A$'000	A$'000
The Group				
Financial assets				
Other investments	13	**-**	**1,888**	**1,888**
Trade and other receivables [(1)]	15	**56,229**	**-**	**56,229**
Cash and bank balances	17	**63,031**	**-**	**63,031**
		119,260	**1,888**	**121,148**
The Company				
Financial assets				
Trade and other receivables	15	**12,553**	**-**	**12,553**
Cash and bank balances	17	**42**	**-**	**42**
		12,595	**-**	**12,595**

40 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

31 December 2020	Note	Other financial liabilities (at amortised cost) A$'000	Total A$'000
The Group			
Financial liabilities			
Borrowings	21	**415,045**	**415,045**
Lease liabilities	22	**1,670**	**1,670**
Trade and other payables	23	**210,551**	**210,551**
		627,266	**627,266**
The Company			
Financial liabilities			
Borrowings	21	**14,003**	**14,003**
Trade and other payables	23	**57,888**	**57,888**
		71,891	**71,891**

31 December 2019	Note	Debt instruments (at amortised cost) A$'000	Total A$'000
The Group			
Financial assets			
Trade and other receivables [(1)]	15	37,045	37,045
Cash and bank balances	17	63,712	63,712
		100,757	100,757
The Company			
Financial assets			
Trade and other receivables	15	18,325	18,325
Cash and bank balances	17	31	31
		18,356	18,356

(1) Excluded tax recoverable from the trade and other receivables of A$6,763,000 (2019: A$764,000)

40 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

31 December 2019	Note	Other financial liabilities (at amortised cost) A$'000	Total A$'000
The Group			
Financial liabilities			
Borrowings	21	473,918	473,918
Lease liabilities	22	7,092	7,092
Trade and other payables	23	173,398	173,398
		654,408	654,408
The Company			
Financial liabilities			
Borrowings	21	15,029	15,029
Trade and other payables	23	54,003	54,003
		69,032	69,032

41 Fair value measurement

Definition of fair value

IFRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

Financial assets and liabilities that are not carried at fair value but whose carrying amounts approximate that of fair value

The carrying amounts of trade and other receivables (Note 15), cash and bank balances (Note 17), trade and other payables (Note 23) and current borrowings (Note 21) are reasonable approximations of fair values due to their short term nature.

The carrying amounts of non-current trade and other payables (Note 23) and non-current borrowings (Note 21) are reasonable approximations of fair values as their interest rate approximates the market lending rate.

42 Events occurring after the reporting period

(i) As of 31 December 2020, the Company had 12,500,000 convertible notes on issue with Hanwa Co. Ltd, due on 6 March 2021 (Note 21.2). In March 2021, the 12,500,000 convertible notes were fully redeemed by the Company for A$13,900,000 (approximately equivalent to US$10,700,000).

(ii) The Group's subsidiary company, OM Materials (Sarawak) Sdn. Bhd., requested for additional capital contribution from its shareholders for the amount of A$11,700,000 (approximately equivalent to US$9,119,000). Accordingly, in March 2021, the Group has contributed its 75% proportionate share of this capital contribution.

CORPORATE GOVERNANCE

OM Holdings Limited (the "**Company**") is committed to implementing and maintaining high standards of corporate governance. In determining what those high standards should involve, the Company has had regard to the fourth edition of the ASX Corporate Governance *Council's Corporate Governance Principles and Recommendations 4th Edition (February 2019)*. The ASX Listing Rules require the Company to report on the extent to which it has followed those principles and recommendations during its 2020 financial year.

This statement outlines the main corporate governance practices in place during the 2020 financial year, all of which comply with the ASX Corporate Governance Council recommendations unless stated otherwise.

Further information about the Company's corporate governance practices is set out on the Company's website at www.omholdingsltd.com.

The Company's Board of Directors (the "**Board**") is responsible for corporate governance, that is, the system by which the Company and its subsidiaries (together, the "**OMH Group**") are managed.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

The Board's role is to govern the OMH Group. In governing the OMH Group, the Board must act in the best interests of the OMH Group as a whole. It is the role of senior management to manage the OMH Group in accordance with the directions and delegations of the Board and it is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, one of the primary tasks of the Board is to drive the performance of the OMH Group. The Board must also ensure that the OMH Group complies with all of its contractual, statutory and any other legal obligations, including the requirements of any relevant regulatory body. The Board has the final responsibility for the successful operations of the OMH Group.

To assist the Board in carrying out its functions, it has developed a Code of Ethics and Conduct to guide the Company's directors ("**Directors**"), key executives and all employees in the performance of their respective roles. The Code of Ethics and Conduct, along with a number of the Company's other policies and protocols, is available on the Company's website at http://www.omholdingsltd.com/aboutus/corporate-governance/

The Board represents shareholders' interests in relation to optimising the Company's manganese mining operations, marketing and trading business, ferro alloy smelter and sinter ore facility. This objective extends to managing its various strategic investments in the carbon steel materials industry and its development and operational initiatives in Australia, Malaysia, Singapore, China and South Africa. This fully integrated strategy seeks to achieve medium to long-term financial returns for shareholders while seeking to minimise risk. The Board believes that this diversified strategy will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the OMH Group is managed in such a way so as to best achieve this desired result. Given the comparative size of the OMH Group's mining, smelting, marketing and trading activities commensurate with its market share, the Board currently undertakes an active, not passive role in its management of the Company's business and investment goals.

The Board is responsible for evaluating and setting the strategic direction of the OMH Group, establishing goals for management and monitoring the achievement of these goals. The Executive Chairman (and Chief Executive Officer) is responsible to the Board for the day-to-day management of the OMH Group.

Among other things, the Board has sole responsibility for the following matters:

- appointing (and where appropriate removing) the Chief Executive Officer, any other executive director and the Company Secretary and determining their respective remuneration and conditions of employment;
- determining the strategic direction of the OMH Group and measuring the performance of management against approved strategies;
- monitor the operational and financial position of the Company specifically and the Group generally;
- reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating (including production), capital and development expenditure budgets at the commencement of each financial year and ensuring adherence to those budgets by monitoring both financial and non-financial key performance indicators;
- monitoring the OMH Group's medium-term capital, exploration and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other key stakeholders;
- determining that satisfactory arrangements are in place for auditing the OMH Group's financial affairs;
- setting the OMH Group's values and standards;
- appointing the external auditors of the OMH Group;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with all applicable legislative requirements;
- ensuring the health, safety and well-being of employees in conjunction with management, and monitoring and reviewing the effectiveness of occupational health, safety and environmental practices at each of the OMH Group operations;
- authorising the issue of shares, options, equity instruments or other securities;
- authorising borrowings, other than in the ordinary course of business, and the granting of any security over the undertakings of the OMH Group or any of its assets;
- approving the acquisition, establishment, disposal or cessation of any significant business of the OMH Group; and
- ensuring that policies and compliance systems consistent with the OMH Group's objectives and best practice are in place and that the OMH Group and its officers act legally, ethically and responsibly at all times.

The Board's role, and the OMH Group's corporate governance practices, are being continually reviewed and improved as the OMH Group's businesses further expand.

The Board may from time to time delegate some of its responsibilities listed above to its senior management team.

The Executive Chairman (Chief Executive Officer) is responsible for managing the operations of the OMH Group (in accordance with the requirements of his Executive Service Agreement) under delegated authority from the Board and for implementing the policies and strategy set by the Board. In carrying out his responsibilities, the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the OMH Group's operational results and financial position.

The role of management is to support the Executive Chairman and Chief Executive Officer and implement the running of the general operations and financial business of the OMH Group, in accordance with the delegated authority of the Board.

1.2 Composition of the Board

To add value to the OMH Group, the Board, which comprises of a majority of independent Directors has been formed so that it has an effective composition, size and commitment to adequately discharge it responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the 'Directors' section of the Annual Report. Directors are appointed based on the specific governance skills required by the OMH Group and on the independence of their decision-making and judgment. The OMH Group ensures that each Director and senior executive enters into a written agreement with the OMH Group which sets out the terms of their appointment.

The current Executive Chairman and five Non-Executive Directors have a mix of legal, commercial, exploration, project development, mining, commodities processing, ore and alloy trading and financial skills and experience. Accordingly the composition, diversity of skills and experience is appropriate to effectively review and challenge the performance of management and to exercise independent judgement in discharging their responsibilities and in making decisions.

In addition to the Directors' experience outlined in the Annual Report, the below table sets out the skills, attributes and experience of the Directors serving on the Board as at 31 December 2020.

<table>
<tr><th>Domain Area</th><th colspan="2">Board Skills and Experience</th><th>From 1 January 2020 to 31 December 2020 (out of 6 Directors)</th></tr>
<tr><td rowspan="5">Legal and Governance</td><td colspan="2">Experience in a large organisation with a strong focus on and adherence to high governance standards</td><td>6</td></tr>
<tr><td colspan="2">Listed entity board and/or sub-committee experience</td><td>6</td></tr>
<tr><td colspan="2">Experience in corporate legal affairs and/or regulatory/governmental departments</td><td>6</td></tr>
<tr><td colspan="2">Relevant legal tertiary degree or professional qualification</td><td>2</td></tr>
<tr><td colspan="2">Constructively challenge and contribute to Board discussions and communicate effectively with management and other Directors. Build consensus, negotiate and obtain stakeholder support for Board decisions</td><td>6</td></tr>
<tr><td>Executive Management</td><td colspan="2">Experience as Director, CEO, CFO or other office holder or similar in medium to large entities</td><td>6</td></tr>
<tr><td>Strategy</td><td colspan="2">Identifying and critically assessing strategic opportunities and threats to the OMH group and developing and implementing successful strategies in context to an organisations policies and business objectives</td><td>6</td></tr>
<tr><td rowspan="5">Mining, Production, Manufacturing Resources, Commodity Expertise</td><td>Mining, production, manufacturing or resources industry executive management</td><td>Senior executive, advisory or board experience in a large mining, production, manufacturing or resources organisation</td><td>4</td></tr>
<tr><td>Technical skills</td><td>Senior executive responsibility for exploration or production or processing or long-term board experience in a large mining and resources organisation with exploration, production or processing as a key part of its business</td><td>1</td></tr>
<tr><td>Health, Safety Environment and Community</td><td>Executive or board sub-committee experience in a mining and resources organisation with responsibility for health and workplace safety, and/or environmental and social responsibility</td><td>3</td></tr>
<tr><td>Capital projects, engineering and construction</td><td>Senior executive experience with capital projects and/or engineering in a mining or resources environment; tertiary or professional engineering qualification. Includes contract negotiations, project management and projects with long term investment horizons</td><td>4</td></tr>
<tr><td colspan="2">Senior executive expertise in commodities, mining, trading or resources sector</td><td>3</td></tr>
<tr><td>Human Resources/ Organisational Development & Culture</td><td colspan="2">Senior executive management in people management and remuneration policy development or board remuneration and nomination sub-committee experience</td><td>4</td></tr>
<tr><td rowspan="3">Finance, Commerce and Accounting</td><td colspan="2">Financial accounting and reporting, internal financial and risk controls, corporate finance and, restructuring corporate transactions (eg: joint ventures, listings etc)</td><td>5</td></tr>
<tr><td colspan="2">Board audit sub-committee experience</td><td>5</td></tr>
<tr><td colspan="2">Relevant tertiary degree or professional qualification</td><td>2</td></tr>
<tr><td rowspan="2">Risk Management</td><td colspan="2">Senior executive experience in risk management</td><td>4</td></tr>
<tr><td colspan="2">Board risk sub-committee experience</td><td>4</td></tr>
</table>

CORPORATE GOVERNANCE

The OMH Group recognises the importance of independent Non-Executive Directors and the external perspective and advice that such Directors can offer. The Board consists of the following independent Non-Executive Directors: Mr Zainul Abidin Rasheed, Mr Tan Peng Chin, Mr Thomas Teo Liang Huat and Mr Peter Church OAM. Ms Julie Wolseley is also a Non-Executive Director but is not viewed as independent due to her also providing company secretarial services to the OMH Group. It should be noted however, that the value of such services is not considered to constitute a material supply arrangement to the Company.

While the Board strongly believes that boards need to exercise independence of judgment, it also recognises (as noted in Principle 2 of the ASX *Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition*) that the need for independence is to be balanced with the need for skills, commitment and a workable board size. The Board believes it has recruited members with the skills, experience and character necessary to discharge its duties and that any greater emphasis on independence would be at the expense of the Board's effectiveness.

As the OMH Group's activities increase in size, nature and scope, the size of the Board will be reviewed and the optimum number of Directors required for the Board to properly perform its responsibilities and functions will continue to be re-assessed. The Remuneration Committee is responsible for conducting the appropriate checks prior to the appointment of a person as a director of the Company or prior to putting forward to shareholders a new candidate for election as a director. These processes are governed by the Group's Remuneration Committee Charter. Checks undertaken may include checks as to the person's character, experience, education, criminal record and bankruptcy history. Material information relevant to a decision on whether to elect or re-elect a Director is provided to shareholders in all Notices of Meeting which contain director election or re-election resolutions.

Appropriate background checks are also conduct on senior executives before employment, where deemed necessary.

The Company's current Executive Chairman and Chief Executive Officer, Mr Low, is not considered by the Board to be independent having regard to the relationships set out in Box 2.3 entitled 'Factors relevant to assessing the independence of a director' in the ASX Corporate Governance Council's Principles and Recommendations. The Board has regard to the relationships set out in Box 2.3, among other things, together with the Company's materiality thresholds, when forming a view as to the independent status of a Director.

Notwithstanding Recommendation 2.5 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition* (being the requirement for the Chairman of the Company to be an independent director and for the position of Chairman to not be fulfilled by the same person who fulfils the position of Chief Executive Officer), the Board considers that Mr Low's position as Executive Chairman (and Chief Executive Officer) is appropriate given his world-wide experience and specialised understanding of the global manganese industry. The Board believes that Mr Low has the range of skills, knowledge, and experience necessary to effectively govern the Company and understand the industries and market segments in which the Company operates. Mr Low was a founding Director of the Company and has been a major force in its evolution and success. Mr Low has been instrumental in advancing the OMH Group's Malaysian development and operational strategy which represents a unique opportunity for the OMH Group to be an active participant in one of the world's lowest cost and strategically located ferro alloy plants with unparalleled competitive advantages. In particular, Mr Low has proactively sought and secured the Malaysian smelting project's unique competitive advantages including, but not limited to, access to competitively priced long term hydroelectric power supply, identification of coastal industrial land with direct access to dedicated port facilities, geographical proximity to both raw materials and Asian steel mills and tax incentives and indirect duties as well as comprehensive purpose-built industrial infrastructure. The Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by the Board such that an appropriate balance of power and authority is exercisable by the Board for objective decision-making in the best interests of the OMH Group. The Board is therefore of the view that given Mr Low's technical, commercial and financial experience and knowledge of the Company, and his continuing contribution to the Board, it is appropriate that he remain in his current position and that it is currently unnecessary to effect a separation of the role of Executive Chairman from that of Chief Executive Officer to facilitate the Company's decision-making and implementation process. Mr Zainul Abidin Rasheed is the independent Deputy Chairman who has regular and direct contact with the Executive Chairman and seeks to ensure in conjunction with the Executive Chairman, that the Board is effective, has the right balance of diversity, skills, experience and independence.

The membership of the Board, together with its activities and composition, are subject to periodic review and renewal. The criteria for determining the identification and appointment of a suitable candidate for the Board includes the quality of the individual, their background of experience and achievement, their compatibility with other Board members, their intellectual ability to contribute to Board duties and their physical ability to undertake Board duties and responsibilities.

The Board believes that renewal is an important responsibility of the Board. The Board recognises the importance of renewal to facilitate new ideas and independent thinking whilst retaining adequate expertise and corporate knowledge to minimise risk associated with untimely director departures. Additionally, as part of its assessment, the Board will review its composition and size, to ensure that it is appropriate to support the effective functioning and decision making ability of the Board and its Committees and remains appropriate for the size, nature, and complexity of the OMH Group's operations located in various international jurisdictions.

Directors are initially appointed by the Board subject to re-election by shareholders at the subsequent Annual General Meeting. Under the Company's Bye-laws, the tenure of Directors (other than the Chief Executive Officer) is subject to re-appointment by shareholders not later than the third anniversary following his/her last appointment by shareholders. Subject to the requirements of the law, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Chief Executive Officer may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke that appointment.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the OMH Group. It is required to do all things that may be necessary to be done in order to carry out the objectives and strategic imperatives of the OMH Group.

Without limiting the authority and role of the Board, the principal functions and responsibilities of the Board include the following:

1. Leadership of the OMH Group - overseeing the OMH Group and establishing codes, policies and protocols that reflect the values of the OMH Group and guide the conduct of the Board, management and employees;
2. Strategy Formulation - working with senior management to set and review the overall strategy and goals for the OMH Group and ensuring that there are policies in place to govern the operations of the OMH Group;
3. Overseeing Planning Activities - overseeing the development of the OMH Group's strategic plans (including operating, capital, exploration and development programmes and initiatives) and approving such plans as well as the annual budget;
4. Shareholder Liaison - ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company;
5. Monitoring, Compliance and Risk Management - overseeing the OMH Group's risk management, compliance, control and accountability systems and monitoring and directing the operational and financial performance of the OMH Group;
6. OMH Group Finances - approving expenditure in excess of that which falls outside the approved authority matrix, approving expenditure materially outside the annual budget and approving and monitoring acquisitions, divestments and financial and other reporting;
7. Human Resources - appointing, and where appropriate, removing the Chief Executive Officer as well as reviewing the performance of the Chief Executive Officer and monitoring the performance of senior management in their implementation of the OMH Group's strategy;
8. Ensuring the Health, Safety and Well-Being of Employees - in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the OMH Group's work health and safety systems to ensure the well-being of all employees; and
9. Delegation of Authority - delegating appropriate powers to the Chief Executive Officer to ensure effective day-to-day management of the OMH Group and establishing and determining the powers and functions of the various Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a summary of which is contained on the Company's website.

1.4 Board Policies

1.4.1 Conflict of Interest
Directors must:

- disclose to the Board any actual or potential conflict of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of the OMH Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove or mitigate any such conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, in accordance with the requirements of the law, remove himself/herself from the boardroom when discussion in relation to or concerning matters relating to that conflict occur and/or abstain from voting on matters about which the conflict relates.

1.4.2 Commitments
Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality
In accordance with legal requirements and agreed ethical standards, the Directors, key executives and all employees of the OMH Group have agreed to keep confidential, information received in the course of the exercise of their duties, and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Independent Professional Advice
The Board collectively and, each Director individually, has the right to seek independent legal, accounting or other professional advice at the OMH Group's expense, up to specified limits, to assist it or them (as applicable) in carrying out its or their (as applicable) responsibilities.

1.4.5 Board Access to Information
Subject to the Directors' Conflict of Interest guidelines referred to in Section 1.4.1 above, Directors have direct access to the Company's management and to all Company information in the possession of management.

1.4.6 Related Party Transactions
Related party transactions include any financial transaction between a Director and the OMH Group. Unless there is an exemption under the Companies Act 1981 of Bermuda or any other relevant laws or regulation (including the ASX Listing Rules) from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.5 Board Meetings

The Executive Chairman (who is also the Chief Executive Officer), in conjunction with the Company Secretary[1], sets the agenda for each meeting of the Board. Any Director may request a matter be included on the agenda.

Typically, at Board Meetings the agenda will include:

- minutes of the previous Board meeting and matters arising;
- the Executive Chairman's Report;
- the Chief Executive Officer's Report;
- the Group Financial Controllers' Report;
- operating and financial reports from each key business unit;
- reports on major projects and current issues; and
- specific business proposals.

All Directors and Committees of OMH have access to the Company Secretary for advice and services.

The number of meetings of the Directors held in the period each Director held office during the 2020 financial year and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Held	*Attended*
Low Ngee Tong	4	4
Julie Wolseley	4	4
Tan Peng Chin	4	4
Thomas Teo	4	4
Zainul Abidin Rasheed	4	4
Peter Church	4	4

During the financial year there were four general Directors' meetings for which a formal notice of meeting was given.

2. BOARD COMMITTEES

Except for the Committees mentioned in Sections 2.1 and 2.2 below, the Board considers that the affairs of the OMH Group are not sufficiently complex to justify the formation of numerous special Board committees at this time. The Board as a whole is able to address the governance aspects relating to the full scope of the OMH Group's activities and to ensure that it adheres to appropriate ethical standards.

The Board has however established a framework for the management of the OMH Group, including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The Board also holds meetings at such times as may be necessary to address any general or specific matters as required.

If the OMH Group's activities increase in size, scope and nature, the establishment of separate or special Board committees will be considered and implemented, if appropriate.

2.1 Audit Committee

To ensure the integrity of the financial statements of the OMH Group and the independence of the external auditor, an Audit Committee has been formally established by the Board. The Audit Committee consists of three independent Non-Executive Directors, being Mr Thomas Teo Liang Huat (chairman of the Audit Committee), Mr Zainul Abidin Rasheed and Mr Peter Church. Ms Julie Wolseley a Non-Executive Director is also a member of the Audit Committee. All Audit Committee members have sufficient financial expertise and experience to discharge the Audit Committee's mandate.

During the financial year ended 31 December 2020, the Audit Committee held two meetings and all committee members were in attendance.

The Audit Committee is responsible for reviewing the annual and half-yearly financial statements of the Company and any reports which accompany those financial statements.

The Board, in conjunction with the Audit Committee, considers the appointment of the external auditor and reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal. The Audit Committee also reviews the scope of work of the internal audit function and reviews the internal audit reports tabled by the internal auditors. The Board is responsible for establishing, and ensuring adherence to, policies on risk oversight and management.

[1] In accordance with Recommendation 1.4, the company secretary of the Company is directly accountable to the Board, through the Executive Chairman, on all matters to do with the proper functioning of the Board.

The role of the Audit Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, compliance with legal and regulatory requirements, internal control structure and the external audit function.

Key activities undertaken by the Audit Committee include:

- approval of the scope, plan and fees for the external audit;
- reviewing the independence and performance of the external auditor;
- reviewing significant accounting policies and practices;
- appointment of the internal auditor and approving the scope, plan and fees for the internal auditor; and
- reviewing OMH Group's half year and annual financial statements.

Members of the Audit Committee and their qualifications are outlined in the Directors' section of the Annual Report.

The Audit Committee Charter is available on the Company's website.

2.2 Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration policies applicable to executive officers and Directors of the OMH Group. The Remuneration Committee comprises three Non-Executive Independent Directors, Mr Tan Peng Chin (chairman of the Remuneration Committee), Mr Zainul Abidin Rasheed and Mr Thomas Teo Liang Huat. Ms Julie Wolseley a Non-Executive Director is also a member of the Remuneration Committee.

A copy of the Remuneration Committee Charter is on the Company's website.

The role of the Remuneration Committee is to assist the Board in reviewing human resources and compensation policies and practices which:

- enable the Company to attract, retain and motivate employees who achieve operational excellence and create value for shareholders; and
- reward employees fairly and responsibly, having regard to the results of the OMH Group, individual performance and general remuneration conditions.

The Remuneration Committee works with the Board on areas such as setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Executive Chairman and the Chief Executive Officer, reviewing superannuation arrangements, reviewing the remuneration of Non-Executive Directors and undertaking an annual review of the Chief Executive Officer's performance.

The OMH Group is committed to remunerating its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders and will continually review and assess the remuneration structure in place to achieve this in accordance with the Remuneration Charter.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The annual aggregate maximum amount of remuneration paid to Non-Executive Directors was last approved by shareholders on 30 May 2019 and is currently A$1,300,000.

During the year ended 31 December 2020, the Remuneration Committee held one meeting and all committee members were in attendance.

Nomination committee

The Company does not have a nomination committee because it is not considered that such a committee would be a more efficient forum than the Board as a whole for the consideration of potential candidates to the Board or other key positions.

The responsibilities of the Board as a whole include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Board also oversees management succession plans, including the Chief Executive Officer and his direct reports, and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

Directors are appointed based on the specific governance skills required by the OMH Group. Given the size of the OMH Group and the businesses that it operates, the OMH Group aims at all times to have at least one Director with substantial experience in the metals trading and mining industries. In addition, the Board should consist of members that have a blend of expertise and professional experience in:

- accounting and financial management;
- legal skills;
- technical skills; and
- in relation to the Executive Chairman (Chief Executive Officer) - business experience and commercial acumen.

Prior to appointing a director or recommending a new candidate for election as a director the Board ensures that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.

In addition the Board ensures that all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The Board will ensure this material information is included in the Company's 2021 Notice of Annual General Meeting.

CORPORATE GOVERNANCE

3. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance and ethical conduct by all Directors and employees of the OMH Group.

The Board has adopted a Values Statement which articulates its guiding principles that define how the Company wishes to conduct itself in its relationships with the industry and the communities within which it operates. The Values Statement is disclosed on the Company's website.

The Board actively promotes ethical and responsible decision making aiming to maintain the highest standard of ethical behaviour in business and in all its dealings with customers, clients, shareholders, governments, suppliers, employees and the community.

As a minimum the Board and employees will:

- act within applicable laws;
- act with fairness and respect;
- encourage co-operation and rational debate with a view to achieving shared goals;
- act with courtesy;
- foster an environment which encourages diversity in all its forms across the OMH Group.

3.1 Code of Ethics and Conduct for Directors and Key Executives

The Board has adopted a Code of Ethics and Conduct for Directors, key executives and all employees to promote ethical and responsible decision-making as per Recommendation 3.1 of the *ASX Corporate Governance Council's Principles and Recommendations 4th Edition*. This code outlines how the OMH Group expects its Directors, key executives and employees to behave and conduct business in the workplace on a range of issues. The OMH Group is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all applicable legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

A summary of the Company's Code of Ethics and Conduct is available on the Company's website.

All Directors, key executives and employees are expected to act with the utmost integrity and objectivity, always striving to enhance the reputation and performance of the Company.

3.2 Code of Ethics and Conduct

As noted above, the OMH Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining the highest ethical standards, corporate behaviour and accountability at all times within the OMH Group.

All Directors, senior executives and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse OMH Group information, assets or facilities;
- value and maintain professionalism;
- avoid any real or perceived conflict of interests;
- act in the best interests of shareholders;
- by their actions contribute to the OMH Group's reputation as a good 'corporate citizen' that seeks the respect of the community and environment in which it operates;
- perform their duties in a way that minimises environmental impacts and maximises workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers, community members, indigenous people and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must advise that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

As part of its commitment to recognising the legitimate interests of stakeholders, the OMH Group has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, customers, government authorities, creditors and the community as whole. This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The OMH Group complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The OMH Group has processes in place to ensure the truthful and factual presentation of the OMH Group's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and international financial reporting standards.

Employment Practices

The OMH Group endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the OMH Group. The OMH Group does not tolerate the offering or acceptance of bribes or the misuse of OMH Group assets or resources.

Responsibilities to the Community

As part of the community, the OMH Group:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs; and
- encourages all employees to engage in activities beneficial to their local community.

Responsibilities to the Individual

The OMH Group is committed to keeping private information confidential which has been provided by employees and investors and protect such information from uses other than those for which it was provided.

Conflict of Interests

Employees and Directors must avoid conflicts as well as the perception of conflicts between personal interests and the interests of the OMH Group.

How the OMH Group Monitors and Ensures Compliance with its Code

The Board, management and all employees of the OMH Group are committed to implementing this Code of Ethics and Conduct and each individual is accountable for such compliance.

Disciplinary measures may be taken for violating the Code of Ethics and Conduct.

The Board is required to be informed of any material breaches to the Code of Ethics and Conduct.

3.3 Whistleblower Policy

In line with the Code of Ethics and Conduct, the Company has a Whistleblower Policy which has been endorsed by the Board and ensures that persons who make a report in good faith can do so without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy assists to create a culture within the OMH Group that encourages employees to speak up and raise concerns regarding breaches of internal rules or policy, or conduct that is illegal, unacceptable or undesirable, or concealment of such conduct relating to the Company, its subsidiaries, Directors, officers, and employees. It encourages the reporting of behaviour that may result in financial or non-financial loss, or reputational damage to the Company and plays a key role in detecting reportable conduct and maintaining good corporate governance.

The Whistleblower Policy complies with Recommendation 3.3 of the ASX Corporate Governance Council.

Subject to the confidentiality obligations, the Whistleblower protection officer must provide the Board a report on a quarterly basis of any active whistleblower matters.

4. DIVERSITY

The OMH Group recognises the value contributed to the group's operations by employing people with varying skills, cultural backgrounds, ethnicity and experience. The OMH Group's diverse workforce is the key to continued growth, improved productivity and performance. The OMH Group actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequality are not tolerated.

The Company is committed to workplace diversity and to ensuring that a diverse mix of skills and talent exists amongst its Directors, officers and employees to enhance Company performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees. The Diversity Policy outlines the strategies and processes according to which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company and representation of indigenous individuals. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Information relating to the total current representation of women employees in the OMH Group, including those women employees holding senior executive positions and those women employees on the Board is as follows:

	Number of Women	%
Board of Directors	1	16.7%
Senior Executives[2]	4	28.6%
Total OMH Group employees	348	14.0%

As at 31 December 2020, approximately 12% of the OMH Group's mining subsidiary workforce were Indigenous employees.

A copy of the Company's Diversity Policy is available on the Company's website.

[2] A Senior Executive of the OMH Group is a person having the authority and responsibility for planning, directing and controlling the activities of the entity.

4.1 *Measurable Objectives*

The Board has not set measurable objectives specifically for the financial year ended 31 December 2020. It does however continually review the diversity within its workforce and as reported above does have a culturally diverse and gender diverse workforce with operations in Australia, Malaysia, China and Singapore.

Certain of the Objectives and Outcomes reviewed by the Board are outlined below

Objective	Outcome
Review and amend where appropriate the Diversity Policy	The Board has reviewed OMH's Committee Charters and other policies to reflect the objectives of the Diversity Policy.
Undertake a gender general assessment of the current diversity levels within the OMH Group operations and across jurisdictions.	The OMH Group undertakes reviews through its human resources departments at its operations to establish gender mix and cultural backgrounds.
Establish procedures to track the gender mix of the OMH Group over time	The OMH Group has compiled a summary of employees including gender and cultural diversity and will continue to do so.
Structure recruitment and selection processes to recognise the value of diversity.	The OMH Group is continually reviewing its practices.
Have clear and transparent governance process around reward and recognition.	The OMH Group has a Remuneration Charter which encourages rewards to be transparent.

5. KEY MANAGEMENT PERSONNEL DEALING IN COMPANY SHARES

The Company has a formal trading policy relating to the trading of securities by key management personnel (including Directors) of the Company which complies with ASX Listing Rule 12.12. A copy of the Company's Securities Trading Policy is available on the Company's website.

6. DISCLOSURE OF INFORMATION

6.1 Continuous Disclosure to ASX

The Company has a formal Continuous Disclosure and Information Policy as required by Recommendation 5.1 of the *ASX Corporate Governance Council's Principles and Recommendations 4th Edition*. This policy was introduced to ensure that the Company achieves best practice in complying with its continuous disclosure obligations under the ASX Listing Rules and also to ensure that the Company and individual officers do not contravene the ASX Listing Rules.

The Company is committed to ensuring that shareholders and the market are provided with equal and timely access to material information concerning the Company (including of its financial position, performance, ownership and governance), and that all stakeholders have equal opportunity to receive externally available information issued by the Company.

The Chief Executive Officer is responsible for interpreting and monitoring the Company's disclosure policy and, where necessary, informing the Board. The Company Secretary has been nominated as the person responsible for communications with the ASX.

The Continuous Disclosure Policy requires all executives and Directors to inform the Chief Executive Officer (or, in his absence, the Company Secretary) of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information is market sensitive information, such as would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities, or would otherwise have a material effect on the price or value of the Company's securities.

The Company Secretary ensures that all Board members receive copies of all market announcements promptly after they have been made. Continuous disclosure is discussed at all regular board meetings and on an ongoing basis the Board ensures that all activities are reviewed to assess the need for disclosure to the market.

All substantive investor or analyst presentations by the Company are released via the ASX Market Announcements Platform before the commencement of the relevant presentation.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX and released to the market by the ASX. The Company's website also includes a "Corporate Governance" landing page that discloses all relevant corporate governance information, including policies and procedures.

6.2 Communication with Shareholders

The Company places considerable importance on effective communication with shareholders and has adopted a Shareholder Communications Strategy which sets out the OMH Group's commitment to effectively communicating with shareholders. A copy of the Shareholder Communications Strategy is available on the Company's website. Directors recognise that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of the Company's shares.

The Company aims to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the OMH Group. The strategy provides for the use of internal processes and protocols that ensures a regular and timely release of information about the OMH Group is provided to shareholders.

OMH Group's Continuous Disclosure Policy encourages effective communication with its shareholders by requiring:

- the timely and full disclosure of material information about the OMH Group's activities in accordance with the disclosure requirements contained in the ASX Listing Rules;
- that all information released to the market be placed on the Company's website following release;
- that the Company's market announcements be maintained on the Company's website for at least three years; and
- that all disclosures, including notices of meetings and other shareholder communications, are drafted clearly and concisely.

The Board encourages full participation of Shareholders at annual general meetings to ensure a high level of accountability and understanding of the OMH Group's strategy and goals. Copies of the addresses by the Executive Chairman are disclosed to the market and posted to the Company's website. The meetings are conducted to allow questions and feedback to the Board. All shareholder meeting documents are in English and all Directors can understand and speak English.

OMH's practice at all security holder meetings, including the Annual General Meeting, is that all resolutions are decided by a poll rather than by a show of hands.

Despite the Company being foreign incorporated in Bermuda, it has in the past and will continue to do so in the future hold its Annual General Meetings in Australia or Singapore (or at a suitable alternative country where its operations are located) so as to enable as many shareholders to attend.

Furthermore, the Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit. The amount of fees paid to the external auditors is provided in a note to the financial statements.

The Company's significant briefings with major institutional investors and analysts are lodged with the ASX and are made available on the Company's website.

The Company aims to promote effective communication to and from shareholders. Members are encouraged to register with the Company's share register to receive formal notices and material electronically and to communicate electronically. The Company operates an investor relations department.

7. RISK MANAGEMENT

7.1 Approach to Risk Management and Internal Control

The Board recognises that risk management and internal compliance and control are key elements of good corporate governance.

The OMH Group's Risk and Internal Control policy describes the manner in which the Company:

- identifies, assesses, monitors and manages business and operational risks;
- identifies material changes to the Company's risk profile; and
- designs, implements and monitors the effectiveness of the internal compliance and control framework.

The Company considers that effective risk management is about achieving a balanced approach to risk and reward. Risk management enables the Company to capitalise on potential opportunities while mitigating potential adverse effects. Both mitigation and optimisation strategies are considered equally important in risk management.

The Board monitors the adequacy of its risk management framework annually to ensure that it continues to be sound and deals adequately with contemporary and emerging risks and that the OMH Group is operating with due regard to the risk appetite set by the Board and discloses that reviews have taken place at the end of each reporting period. Members of the Board have an extensive range of experience in exploration, mining, smelting, trading, human resource and capital management, legal, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

7.2 Risk Management Roles and Responsibilities

The Board is responsible for reviewing and approving the Company's risk management strategy, policy and key risk parameters, including determining the OMH Group's appetite for country specific risk and major investment decisions.

The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. Rather than separately constituting an additional committee of the Board, the Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of the OMH Group's internal control framework and risk management process, to the key executive management team in conjunction with the Board. The Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to the OMH Group and (ii) monitoring the OMH Group's compliance with the Risk and Internal Control policy.

Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the risk and internal control policy. This responsibility includes developing business risk identification, implementing appropriate risk mitigation strategies and controls, monitoring effectiveness of controls and reporting on risk management capability.

Each business unit reports annually to the Board on its business plan, risk profile and management of risk.

The Board is responsible for the oversight of the OMH Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the OMH Group with the Chief Executive Officer (with the support of the OMH Group's most senior financial executives) having ultimate responsibility to the Board for the risk management and control framework.

7.3 Internal Audit

Since 2009, BDO LLP has been engaged to provide internal audit services to the OMH Group. The internal audit function is tendered every two years.

The internal audit function is independent of both business management and of the activities it reviews. Internal audit provides assurance that the design and operation of the OMH Group's risk management and internal control system is effective. A risk-based audit approach is used to ensure that the higher risk activities in each business unit are targeted by the internal audit program. All audits are conducted in a manner that conforms to international auditing standards. The assigned internal audit team has all the necessary access to OMH Group management and information. The Audit Committee oversees and monitors the internal auditor's activities. It approves the annual audit program and receives reports from the internal auditor concerning the effectiveness of internal control and risk management. The Audit Committee members have access to the internal auditors without the presence of other management. The internal auditor has unfettered access to the Audit Committee and its Chairman.

Internal audit and external audit are separate and independent of each other.

7.4 Integrity of Financial Reporting

Each year, the OMH Group's Executive Chairman/Chief Executive Officer and Group Financial Controller report in writing to the Board that:

- the financial statements of the OMH Group for each half and full year present a true and fair view, in all material aspects, of the OMH Group's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the OMH Group's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board confirms that such a report was provided by the Executive Chairman and Group Financial Controller for the 2020 financial year.

7.5 Role of External Auditor

The OMH Group's practice is to invite the external auditor to attend each annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Board (i) ensures that the appointment of the external auditor is limited in scope so as to maintain the independence of the external auditor; and (ii) assesses, on a case by case basis, whether the provision of any non-audit services by the external auditor that may be proposed, is appropriate.

The services considered unacceptable for provision by the external auditor include:

- internal audit;
- acquisition accounting due diligence where the external auditor is also the auditor of the other party;
- transactional support for acquisitions or divestments where the external auditor is also the auditor of the other party;
- book-keeping and financial reporting activities to the extent such activities require decision-making ability and/or posting entries to the ledger;
- the design, implementation, operation or supervision of information systems and provision of systems integration services;
- independent expert reports;
- financial risk management; and
- taxation planning and taxation transaction advice.

It is a requirement that there is a rotation of the external audit partner at least every five years and there is a prohibition in relation to the re-involvement of a previous audit partner in the audit service for two years following rotation.

7.6 Periodic Corporate Reports

From time to time, OMH releases periodic corporate reports which are not subject to review or audit by OMH's external auditors. An example in OMH's case is the Quarterly Market Update Reports. Where a periodic report is not subject to review/audit, OMH ensures it employs processes which minimise the chance of error in the report. The processes adopted depend to some extent on the nature of the report being issued. Generally, this involves engaging with relevant internal stakeholders throughout the report generation process from start to finish, culminating in internal sign-off by relevant stakeholders that the portion of the report to which they have contributed is accurate.

All periodic reports are also subject to approval from the Board before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.

7.7 Economic, Environmental and Social Sustainability Risks

The OMH Group undertakes mining, smelting and marketing and trading operations in varying jurisdictions and, as such, faces risks inherent to its businesses, including financing and economic, environmental and social sustainability risks, which may materially impact the OMH Group's ability to create or preserve value for security holders over the short, medium or long term.

The OMH Group believes that long-term success hinges on sustainable development that benefits the business, stakeholders and the environment. To this end, each business unit has adopted a policy of responsible, proactive environmental management and will work to ensure compliance with relevant legislative obligations during its exploration and development activity. The OMH Group is committed to delivering favourable results for shareholders while at the same time ensuring that its economic success is balanced alongside its environmental and social responsibilities.

The OMH Group appreciates the importance of community consultation and facilitates the involvement and awareness of relevant communities and their representatives when undertaking any exploration or development activity. Through a proactive policy of self-regulation, legislative compliance and community involvement, the OMH Group is working hard to deliver on its short and long-term business objectives while ensuring that relevant social and environmental considerations are included as part of any decision-making process.

The OMH Group will continue its policy of sustainable development in the interests of meeting the expectations of its shareholders without compromising the health or vitality of both the natural and social environment.

The Company has adopted an Environmental Policy, a Human Rights Policy and a Community Relations Policy, to assist with monitoring environmental and social sustainability risks. The Company is committed to respecting Human Rights throughout the countries in which it operates and to ensuring that sound environmental management and safety practices are carried out in its operational activities. Resources have been focussed on establishing and maintaining a culture of best practice through the implementation of Occupational Health and Safety Plans and Environmental Management Plans at each of the key OMH Group operations.

7.8 Anti-Bribery and Corruption

Bribery and corruption have a serious impact on the social, economic and political environment of many countries. The effects of bribery and corruption impact both individuals and businesses in the world's poorest countries. The Company is committed to the fight against bribery and corruption and expects all of its employees and representatives to comply with both the letter and spirit of the laws that govern OMH Group's operations in Australia, Malaysia, China and Singapore.

The Company has adopted an Anti-Bribery and Corruption Standard Policy in compliance with Recommendation 3.4 of the ASX Corporate Governance Council. The Policy provides an overview of requirements arising from Foreign Bribery Laws and the various laws prohibiting fraudulent and corrupt behaviour generally. This Policy is intended to be a common sense manual to enable OMH employees and representatives to understand and comply with their obligations under these laws.

The Company is committed to ensuring that its corporate culture, in all of its offices and operations worldwide, discourages fraudulent and corrupt conduct. Notwithstanding laws to the contrary, the fact that bribery and corruption may be tolerated or encouraged in some of the countries in which OMH operates does not affect a commitment to best business practice.

Subject to confidentiality obligations, the reporting of any such incidents must occur annually to the Board and half yearly to the Audit Committee. Otherwise if material or potentially involves a breach of any law, then the matter will be immediately referred to the Chairman of the Audit Committee.

The Company's Anti-Bribery and Corruption Policy can be found on the Company's website.

8. ENCOURAGE ENHANCED PERFORMANCE

Board and management effectiveness are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature of the matter.

The Board aims to periodically evaluate its performance and the performance of its Committees and individual directors to determine whether or not it is functioning effectively by reference to the Board Charter and current best practice. The Board confirms that a review, conducted in accordance with this self-evaluation process, was performed during the financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the Directors.

The performance of all Directors is reviewed by the Executive Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory may be asked to retire. The Executive Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed; and
- attendance at the Company's shareholder meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

CORPORATE GOVERNANCE

The performance of each Director retiring at the next annual general meeting is taken into account by the Board in determining whether or not the Board should support the re-election of each such Director. Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance.

Arrangements put in place by the Board to monitor the performance of the OMH Group's Executive Directors and senior executives include:

- a review by the Board of the OMH Group's financial performance;
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual; and
- regular reporting from the Chief Executive Officer which monitors the performance of the Company's executives to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the OMH Group.

The Remuneration Committee reviews and makes recommendations to the Board on the criteria for and the evaluation of the performance of the Executive Chairman and the Chief Executive Officer.

The Board confirms that a review, conducted in accordance with these arrangements, was performed in relation to the performance of the Company's Executive Directors and senior management during the 2020 financial year.

All senior Executives and Directors are encouraged to attend professional education courses relevant to their roles.

Executive Remuneration Policy

The OMH Group's remuneration policy aims to reward executives fairly and responsibly in accordance with the international market for executives and ensure that the Company:

- provides competitive rewards that attract, retain and motivate executives of the highest calibre;
- sets demanding levels of performance which are clearly linked to an executive's remuneration;
- structures remuneration at a level that reflects the executive's duties and accountabilities and is, where required, competitive within Australia and, for certain roles, internationally;
- benchmarks remuneration against appropriate comparable groups;
- aligns executive incentive rewards with the creation of value for shareholders; and
- complies with applicable legal requirements and appropriate standards of governance.

Executive remuneration is reviewed annually having regard to individual and business performance (compared against agreed financial and non-financial performance measures set at the start of the year), relevant comparative information and expert advice from both internal and independent external sources.

Remuneration consists of the following key elements:

- fixed remuneration (which includes base salary, superannuation contributions or equivalents and other allowances such as motor vehicle and health insurance); and
- variable annual reward (related to the Company's and/or individual performance dictated by benchmark criteria).

The operational targets for the Executive Directors and senior executives consist of a number of key performance indicators including safety, production, operating expenditure, return on shareholders' funds, enhancing corporate credibility and creation of value for shareholders.

At the end of the calendar year the Board assesses the actual performance of the consolidated entity and an individual against the key performance indicators previously set. Any cash incentives (including bonuses) and/or options granted require Board approval. Options proposed to be granted to any Directors also require shareholder approval. The entry into hedging arrangements in respect of any unvested incentive securities is not permitted.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors. The Board seeks independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include fixed remuneration with bonuses or equity-based remuneration entirely at the discretion of the Board based on the performance of the OMH Group.

As OMH is incorporated in Bermuda, it is not required to disclose the nature and amount of remuneration for each Director. However, in the interests of good corporate governance, the following table provides the remuneration details of all Directors of the Company (and the nature and amount of their remuneration) for the year ended 31 December 2020.

Director	Primary			Post Employment	
	Base Remuneration	Directors Fees	Performance Bonus	Defined Contributions	Total
	A$'000	A$'000	A$'000	A$'000	A$'000
Low Ngee Tong[(i)]	1,260	-	280[(vii)]	8	1,548
Zainul Abidin Rasheed[(ii)]	-	130	-	-	130
Julie Wolseley[(iii)]	-	162[(viii)]	-	-	162
Tan Peng Chin[(iv)]	-	120	-	-	120
Thomas Teo[(v)]	-	120	-	-	120
Peter Church OAM[(vi)]	-	162[(viii)]	-	-	162
	1,260	694	280	8	2,242

(i) Mr Low Ngee Tong has been the Executive Chairman since October 2008 (and was appointed as Chief Executive Officer following the resignation of the Chief Executive Officer in 2014).
(ii) Mr Zainul Abidin Rasheed was first appointed as a Director on 3 October 2011.
(iii) Ms Julie Wolseley was first appointed as a Director on 24 February 2005.
(iv) Mr Tan Peng Chin was first appointed as a Director on 14 September 2007.
(v) Mr Thomas Teo Liang Huat was first appointed as a Director on 17 July 2008.
(vi) Mr Peter Church was first appointed as a Director on 12 December 2011.
(vii) Inclusive of A$175,000 for profit sharing for 2019 that has been accrued and is expected to be paid in 2021.
(viii) Inclusive of director's fee of A$41,667 paid to these Directors who are non-executive directors of OMM.

The Non-Executive Directors do not earn additional fees for undertaking their respective duties on the Audit Committee and Remuneration Committee.

9. RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

The Company has introduced a formal Privacy Policy. The Company is committed to respecting the privacy of stakeholders' personal information. This Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating stakeholders' information and the security of stakeholders' information.

Other than the introduction of a formal Privacy Policy, the Board has not adopted any other additional formal codes of conduct to guide compliance with legal and other obligations to legitimate stakeholders, as it considers, in the context of the size and nature of the Company, that it would not improve the present modus operandi.

As at 31 December 2020, the Company complied in all material respects with each of the Corporate Governance Principles and the corresponding Recommendations as published by the ASX Corporate Governance Council except as noted below:

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will continue to be reviewed by the Board and amended as appropriate.

Recommendation Reference	Notification of Departure	Explanation for Departure
1.5	Disclose the measurable objectives for achieving gender diversity	The Diversity Policy outlines the strategies and process according to which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company and representation from indigenous communities. The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the relative size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit. The Board is committed to appointing the best person into any position. The Company also builds strong relationships with its Indigenous communities and has training and employment programs in place to encourage greater participation in the Company's workforce. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. The Board may establish appropriate measurable objectives and to report progress against them in future Annual Reports.
2.1	A separate Nomination Committee should be established	The Board considers that the Company currently cannot justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of the attributes required in new Directors. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board. The Board ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.

CORPORATE GOVERNANCE

Recommendation Reference	Notification of Departure	Explanation for Departure
2.5	The chair should be an independent director and should not be the same person as the Chief Executive Officer	The Company's current Executive Chairman and Chief Executive Officer, Mr Low, is not considered by the Board to be independent in the light of the factors outlined in Box 2.5 of the ASX Corporate Governance Council's Principles and Recommendations which indicate when a director may not be considered to be an independent director. Refer Section 1.2 of the Corporate Governance Statement. However the Board considers that Mr Low's position as both Executive Chairman and CEO is appropriate given his world-wide experience and specialised understanding of the global manganese industry. Furthermore, the Board believes that Mr Low has the range of skills, knowledge, and experience necessary to effectively govern the Company and to understand the economic sectors in which the Company operates. In addition, it should be noted that Mr Low is a substantial and longstanding shareholder of the Company and, as such, is able to clearly identify with the interests of shareholders as a whole. Mr Low was instrumental in the formation of the Company and has for over 25 years overseen its rapid growth and success. The dual role of Mr Low is balanced by the Deputy Chairman Mr Zainul Abidin Rasheed who is an independent Non-Executive Director. In this role Mr Zainul chairs the discussions of the Non-Executive Directors. The Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by the Board such that an appropriate balance of power and authority is exercisable by the Board for objective decision-making in the best interests of the OMH Group. Accordingly Mr Low is the best person to undertake the Executive Chairman role and the Board does not believe it is necessary at this stage to appoint an independent chair of the Board.
2.6	A listed entity should have a program for inducting new directors	The Company does not consider it necessary, in the light of the size of the Board and the relatively low turn-over of Directors, to have a separate formal induction program for new Directors. All new Directors are given sufficient support from the Board in order to familiarise themselves with the Company and its governance protocols as well as being adequately briefed about the OMH Group's activities, strategies and actual and budgeted financial positions. All new Directors are appointed through a written agreement with the Company that sets out all their duties, rights and responsibilities. New Directors are also provided with the Board Meeting schedule and have the opportunity to visit the operations each year on a rotational basis as part of the familiarisation process.
7.1	The board of a listed entity should have a committee or committees to oversee risk	Rather than separately constituting an additional committee of the Board, the entire Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of OMH's internal control framework and risk management process, to the key executive management team in conjunction with the Board. The Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to the OMH Group and (ii) monitoring the OMH Group's compliance with the Risk and Internal Control policy. In addition from a Board perspective the following processes occur to oversee the entity's risk management framework: • 'Risk' is a standing agenda item at each monthly Board meeting; and • Prior to the approval of the Company's statutory financial statements, the Audit Committee has the opportunity to meet with the Company's auditors as appropriate. The Company is committed to the identification, monitoring and management of material business risks of its activities via its risk management framework which includes health and safety, environmental governance, community, operational risk management, business risk management and legal and regulatory compliance.

Recommendation Reference	Notification of Departure	Explanation for Departure
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company does not currently have an equity-based remuneration scheme in operation and this recommendation is therefore not applicable.

Approved by the Board 19 April 2021.

ASX ADDITIONAL INFORMATION

Pursuant to the listing requirements of the Australian Securities Exchange ("ASX"), the shareholder information set out below was applicable as at 1 April 2021.

1. SHAREHOLDER INFORMATION

A. Distribution of Equity Securities

Distribution schedule and number of holders of equity securities as at 1 April 2021

Distribution	Fully Paid Ordinary Shares (OMH)	% of Issued Capital
1 – 1,000	351	0.02
1,001 – 5,000	351	0.13
5,001 – 10,000	184	0.20
10,001 – 100,000	311	1.45
More than 100,000	104	98.20
TOTAL	1,301	100.00

There were 267 holders holding less than a marketable parcel of ordinary shares.

B. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
CITICORP NOMINEES PTY LIMITED	200,624,482	27.16%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	197,728,295	26.77%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	68,635,880	9.29%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	64,463,160	8.73%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	58,213,228	7.88%
HANWA CO LTD	32,500,000	4.40%
BNP PARIBAS NOMS PTY LTD <DRP>	14,070,696	1.90%
ZERO NOMINEES PTY LTD	10,250,000	1.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,793,403	1.06%
MS JULIE ANNE WOLSELEY	5,562,002	0.75%
MR HAMID MAHDAVI ARDABILI	4,995,000	0.68%
MS HENG SIOW KWEE	4,680,000	0.63%
STRATFORD SUN LIMITED	4,650,000	0.63%
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	4,100,531	0.56%
NATIONAL NOMINEES LIMITED <DB A/C>	3,800,066	0.51%
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	3,731,747	0.51%
NATIONAL NOMINEES LIMITED	1,854,050	0.25%
TA SECURITIES HOLDINGS BERHAD	1,806,086	0.24%
CHAO FAN HUANG	1,686,291	0.23%
BLUECON ENTERPRISES PTY LTD	1,508,000	0.20%
TOTAL HELD BY 20 LARGEST SHAREHOLDERS	**692,652,917**	**93.78%**
OTHERS	**45,970,420**	**6.22%**
TOTAL	**738,623,337**	**100.00%**

C. ***Substantial Shareholders***

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Listed Ordinary Shares	
	Number of Shares	% of Shares
Huang Gang	103,618,830	14.03%
Amplewood Resources Ltd	100,260,653	13.57%
Low Ngee Tong	68,110,631	9.22%
Heng Siow Kwee	65,951,769	8.93%

D. ***Restricted Securities***

There were no restricted securities on issue as at 1 April 2021.

E. ***Voting Rights***

Subject to the Bye-laws of the Company and to any rights or restrictions attaching to any class of shares, every member is entitled to be present at a meeting in person, by proxy, representative or attorney. In accordance with the Company's Bye-laws, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy or representative shall have one vote and upon a poll each member present in person or by proxy or representative shall have one vote for every share held.

2. TAXATION

The Company was incorporated in Bermuda and is not taxed as a company in Australia.

3. ON-MARKET BUY-BACK

The Company is not currently undertaking an on-market buy-back

4. INVESTOR INFORMATION

(a) Stock Exchange Listing

OM Holdings Limited shares are listed on the Australia Securities Exchange (ASX).
The Company's ASX code is OMH.

(b) Company Information Contact

For further information about OM Holdings Limited please contact the Singapore head office:

OM Holdings Limited
#09 – 03A Singapore Post Centre
10 Eunos Road 8
Singapore 408600

Telephone: (65) 6346 5515
Facsimile: (65) 6342 2242
Email: om@ommaterials.com
Website: www.omholdingsltd.com

ASX ADDITIONAL INFORMATION

(c) Share Registry Enquiries

Shareholders who require information about their shareholdings, dividend payments, notification of tax file numbers, changes of name, address or bank account details or related administrative matters should contact the Company's share registry:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Postal Address:
GPO Box D182
PERTH WA 6840

Telephone:	(within Australia) 1300 850 505
Telephone:	(outside Australia) (61) 3 9415 4000
Facsimile:	(61) 3 9473 2500
Website:	www.computershare.com
Email:	web.queries@computershare.com.au

Each enquiry should refer to the shareholder number which is shown on the issuer sponsored holding statements and dividend statements.

OM HOLDINGS LIMITED

(incorporated in Bermuda) A.R.B.N 081 028 337