



## DealMakers - 2025 Annual

### **exxaro** BEE Deal of the Year

POWERING POSSIBILITY

#### Exxaro Resources' acquisition of manganese assets from Ntsimbintle and OMH Mauritius

The acquisition of premier manganese assets represents a defining transformational transaction for both the company and the global mining sector, and at the same time, advances South Africa's empowerment agenda. The deal, valued at an unadjusted cash price of R11,67bn, marks a strategic pivot for Exxaro, accelerating its transition from coal to a diversified minerals and energy solutions business.

Essentially, the deal sees Exxaro acquiring 74% of Ntsimbintle Mining, a subsidiary of Ntsimbintle Holdings – in which entrepreneur Sakkie Macozoma's Safika Holdings has a 39.7% stake – and the remaining 26% of Ntsimbintle Mining from OMH Mauritius.

The target assets are:

- 100% of Ntsimbintle Mining, which holds an effective 60.1% ownership in Tshipi Borwa Mine, an open pit manganese mine in the Kalahari Manganese Field in the Northern Cape – South Africa's largest single mine manganese exporter, and the world's 4th largest manganese producer.
- 19.99% of Jupiter Mines. Jupiter is an Australian registered public company, listed on the ASX, with a 49.9% beneficial interest in Tshipi.
- 100% of Ntsimbintle Marketing, which conducts manganese marketing and sales, and will, following the transaction, have the right to market 50.1% of Tshipi's finished manganese ore products.
- 51% of Mokala, owner of the Mokala Manganese Mine operated by Blue Falcon 222, which directly owns 49% of Mokala. Blue Falcon, which is a Glencore entity, has pre-emptive and tag along rights in respect of Mokala.
- 9% of Hotazel, which owns the Hotazel Manganese Mines, operated by Samancor Manganese. Samancor Manganese, which owns 74% of Hotazel, is 60% owned by South 32 and 40% by Anglo American. Samancor Manganese and the other existing shareholders of Hotazel have pre-emptive rights in respect of Hotazel.



OM HOLDINGS LIMITED



The pre-emptive rights waiver processes for Blue Falcon and the Hotazel shareholders are included as part of the suspensive conditions to the transactions.

The initial price tag is R11,67bn, but the deal includes a "locked box" structure, which suggests that any financial leakage prior to closing, such as dividends, losses or capital shifts, could result in upward adjustments to the purchase price. In addition, if Mokala's minority shareholder, Blue Falcon, exercises its tag-along rights, the total may increase to R14,64bn. The deal was funded from internal resources, with no anticipated impact on its

dividend policy or net cash position.

The manganese operations come with pre-existing offtake agreements into China and India, mirroring Exxaro's existing coal customer base. The integration is likely to be operationally smooth, as Exxaro's existing logistics and bulk commodity trading capacity are already geared towards these corridors.

The deal is a strategic fit for Exxaro, opting for manganese owing to the significant resource base in South Africa's Northern Cape (representing about 70% to 80% of world resources, and 34% of global mined production in 2024). The company has experience in the operation of large open pit mines, which are within Exxaro's bulk mining capabilities and expertise, and the assets are in a jurisdiction understood by the group. The assets are EBITDA (earnings before interest, taxes, depreciation and amortisation) and cash flow positive, with a track record of attractive dividend payments.

The transaction marks a notable moment in South Africa's mineral economy. It is a transfer of strategic mineral assets from one black-controlled enterprise to another. It positions Exxaro as a full-spectrum mining house, with assets in coal, manganese, renewables, and energy infrastructure. It also amplifies its exposure to political and regulatory sensitivities. This move marks a bold step in Exxaro's strategy to diversify beyond coal and deepen its presence in energy transition minerals.

The deal was extremely complex, involving a suite of transactions, with five different target companies and at least two (potentially three if tag along rights are exercised) different sellers who were independent of each other, each requiring separate negotiations and separate transaction documents. In addition, the transactions involved numerous listed groups of companies.

The deal required regulatory approvals from the Competition Commission, two Section 11 DMRE consents, environmental and beneficiation approvals, and FinServ clearance. Numerous and complex exchange control approvals involved the jurisdictions of South Africa, Australia, Mauritius, Malaysia, Singapore, China, Namibia and India. The transaction is expected to close in early 2026, subject to regulatory approvals and conditions. By securing the manganese assets, Exxaro has ensured continued South African ownership of minerals critical to global decarbonisation and renewable energy technologies.

**Local Advisers:** Investec Bank, Itai Capital, Barclays, ENS, Webber Wentzel, Werksmans and Deloitte.

**Comment from the Independent Panel:**

*The deal represents empowerment in action, with the realisation of valuable assets by a BEE group through acquisition by Exxaro, also an empowered organisation. This was a landmark transaction in the mining industry due to both its size and the pivot within Exxaro towards this important mineral for South Africa, with local communities benefitting from Exxaro's investment. The number of listed entities in different jurisdictions (three different stock exchanges) made this a complex transaction to execute.*