The new R1.7bn BEE Tshipi é Ntle Borwa Manganese Mine in the Kalahari Manganese Field begins to take shape

The Tshipi Borwa open pit is taking shape in the Kalahari as progress forges ahead on the construction of Tshipi é Ntle Manganese Mining (Pty) Ltd’s new R1.7bn BEE manganese mine located near Kathu in the Northern Cape.

Work started on the new the Tishipi Borwa mining venture in June last year and the first ore is expected to be produced from the mine to before the end of the year.

The main mine contract for the excavation of the 70m deep open pit was awarded to Aveng Moolmans who commenced operations in December last year. Various other contractors are responsible for the multiple other activities necessary for the construction of the new mine, including Protech Khuthele who have been responsible for the earthworks.

The Tshipi Borwa open pit mine has been designed to produce 2.5mtpa of manganese ore grading 37%. The 163mt of open pit resources should ensure that the mine will continue to deliver economic benefits to the surrounding communities, and to South Africa, for many decades to come.

Tshipi é Ntle Manganese Mining (Pty) Ltd is a joint venture between local BEE mining participants, the Ntsimbintle SPV, which owns 50.1% of the venture and its international mining partners, including Australian listed (ASX), Jupiter Mines Limited which owns 49.9%. In addition, the Ntsimbintle SPV is 74% owned by various BEE groupings including Safika Resources and Nkojane while another Australian listed mining company, OM Holdings Limited, holds 26% of Ntsimbintle SPV.

The venture was put together as far back as 2002 when nine Black Economic empowerment groups formed Ntsimbintle Mining (Pty) Ltd. Safika Resources and Nkojane Economic Prospecting and Investments jointly led, and initially financed, the process of applying for certain manganese mineral rights. Together they formed partnerships with national and local economic development and community companies and social trusts to complete the broad-based BEE shareholding of Ntsimbintle. These broad based black economic empowerment shareholders today collectively own 45% of Ntsimbintle.

Cynthia Mogodi, who heads the John Taolo Gaetsewe Development Trust, a significant shareholder in the mine, says: "For years we have been struggling with issues of
unemployment and poverty and this mine will go a long way to addressing these challenges”.

Mogodi says the John Taolo Gaetsewe Development Trust has built a clinic for the local community and has established a bursary scheme that has so far funded 108 students from the area in various academic fields; 58 of them have graduated and are now working in different parts of the country.

In addition to the bursary scheme, the Trust focuses on education and skill development; health care; enterprise development; developing much needed community amenities such as day care centres for children and libraries; science and maths centres; arts; culture and heritage.

“By contributing our portion of the equity needed for mine development we hold a direct stake in the mine that is debt free, this means that the trust stands to benefit directly from its equity shareholding. Dividends will go to social projects and not to debt service - transformation of the South African economy occurs as the mine progresses towards production” she added.

The manganese ore that will be produced by Tshipi Borwa will be railed to Port Elizabeth before being exported to clients predominantly located in the Far East.

So far the surface preparation of the site, including road foundations; stockpile areas; and other earthworks have largely been completed. In addition to these, the Tshipi administration offices; the majority of new staff housing units, a change house and store buildings have been completed and the railroad siding will shortly undergo final quality checking before being handed over for commissioning.

The company was also progressing the construction with the new load-out station and rail siding to ensure it that it meets State-owned Transnet’s highest safety and efficiency requirements.

Critical capital and processing equipment necessary to produce a saleable product has been pre ordered to take into account some of the items long lead times. Manufacturing facilities around the country are busy completing the plant conveyor, crushing and screening and plant equipment and erecting of these structures is set to commence early next month.

The layout of the mine itself has been refined for practical operations. It has an extensive network of compacted roads; a rail siding which has a total length of track installed of 7.8km; crushing, screening and storage facilities, the mining contractor’s permanent yard with workshops; offices; change house, laboratory and store.
In addition, the ore processing plant is also relatively simple. It comprises a primary crusher, with a conveyor placing the ore on a primary surface stockpile from which it will be drawn off and passed through a secondary crusher and screening plant before being loaded onto the product stockpile. After being stockpiled, the product will be loaded via a rapid load out terminal into rail wagons for export via Port Elizabeth.

Cynthia Mogodi highlights that the John Taolo Gaetsewe Developmental Trust (the Trust), was established in 2002 to empower the community of the John Taolo Gaetsewe District Municipality (the JTG Municipality) by implementing various sustainable socio-economic solutions to the representative communities of the district municipality.

The Trust focuses on a population of approximately 170 thousand people who reside in about 190 towns and villages in the area of the district municipality.

"In the past we had been forgotten because we live in the rural areas but now things have changed," Mogodi said.

Says Saki Macozoma, Chairman of Tshipi é Ntle Manganese Mining (Pty) Ltd:
"Tshipi é Ntle is a remarkable company. It is co-owned by black people a number of whom come from local areas and represent some of the most impoverished communities in South Africa."

"From the day we started this business venture we were determined that this initiative would benefit the people of the community where manganese is mined. This has also been made possible by the changes in Government policy to broaden the ownership of the country’s strategic resources (of which manganese is one) to emerging entrepreneurs and smaller miners on a use it or lose it mining rights basis. What is also especially satisfying is that our initiative has attracted the interest of the international investment community and that we now have co-investors of the likes of Australian Listed Jupiter Mines and OM Holdings on board

What makes Tshipi so special is not only the 60 year open pit life of mine but the fact that all of our shareholders, including our Northern Cape community trusts have a debt free and unencumbered stake in Tshipi, this means that the benefits of the mineral resources will flow back to the communities who live in the area.

Tshipi’s new mining venture will provide tangible benefits for its BEE shareholders and the local community in one of the most impoverished provinces in the country over many years to come. It is expected that around 500 people will eventually be employed fulltime on the site who will support up to 2 500 dependants.

Tshipi Borwa Mine General manager Ezekiel Lotlhare says: “Although we are busy building the new mine while putting into place the necessary plans for operational readiness, we have not neglected our social responsibility. Tshipi is funding a potable
water project in partnership with the Joe Morolong local municipality and providing financial assistance to a number of students studying in various disciplines at tertiary institutions. Furthermore, we are proud to have funded ground breaking research into the conservation of secretary birds. Tshipi is committed to other social projects in order to make a difference to lives of the people in the communities surrounding our operations”.

Says Saki Macozoma, Chairman of Tshipi é Ntle Manganese Mining (Pty) Ltd:

"There will be challenges to come, but we are determined that we will make the mine work both for the shareholders and the community going forward."

No official target date has been set for the mine’s official opening, but it is likely to be early in the New Year.

Ends

ISSUED BY:    GRAY CORPORATE & INVESTOR RELATIONS
               Graham Fiford Tel: 011 442 9019; Cell 083 391 2459

ON BEHALF OF:  TSHIPI BORWA MANGANESE MINE
               CEO Finn Behnken
               Tel: 011 011 9222;