



TRANSNET'S INCLUSION OF EMERGING MINERS IN THE SYSTEM IS FAIR TO ALL PLAYERS

[Johannesburg, 28 February 2023] Transnet SOC Ltd. ('Transnet') is fully committed to ensuring a fair and sustainable distribution of capacity to major mining companies and emerging miners.

Transnet has noted some concerns at its decision to allocate capacity to emerging miners, but needs to emphasise that this will not affect the allocations that have already been guaranteed to the major manganese exporters.

As part of expanding capacity allocation and creating a more inclusive and competitive environment, Transnet recently announced the addition of six new entrants who have been allocated capacity on rail and at the ports under the MECA III programme (Manganese Export Capacity Allocation). This brings the share of emerging miners' allocation to 25% of total available capacity. This does not affect the existing major miners, as their guaranteed capacity remains.

The special terms governing the current allocation of uncommitted tonnage under the existing contracts allow Transnet to re-allocate the whole or any portion of the uncommitted tonnage, currently 15%, in order to facilitate new entrants into the export market.

This is a fair and sustainable way of introducing additional participants in the system, as opposed to starting from a zero-based allocation.

Furthermore, Transnet is moving ahead with the expansion of the manganese channel, working with both major and emerging miners in the sector.

Interventions include the relocation of the manganese terminal from the Port of Port Elizabeth with current capacity at 10mtpa, to a new manganese export terminal at the Port of Ngqura for 16mtpa, expected to be commissioned by December 2027.

On the rail infrastructure TFR has completed confirmation of the designs for the extension of existing and the construction of new crossing loops for longer trains, and the equivalent ramp up in locomotives, wagons and operational resources, resulting in an increase in slot capacity on the line, increasing capacity by 6mtpa on rail.

Transnet is also planning to expand its manganese export capacity (rail, terminal and port infrastructure) to 6Mtpa through the Saldanha export channel.

It is important to emphasise that Transnet is fully committed to collaborating with industry in fast-tracking the expansion of the manganese channel, for the benefit of all industry players and the South African economy.

ENDS.

Issued on behalf of Transnet SOC Ltd