



Kalagadi Manganese and Transnet signs a R3-billion worth MECA 2 Contract

Johannesburg, 17 September 2019 - Black owned and woman led, Kalagadi Manganese (Pty) Ltd and Transnet Ltd have cemented a R3-billion partnership which will allow for the transportation of up to 3-million tonnes per annum of beneficiated sinter manganese.

The Manganese Export Capacity Allocation Agreement (MECA 2) contract will see the transportation, storage, and loading onto a vessel of the Kalagadi Manganese production destined for the export market.

The 5-year contract will further allow Kalagadi Manganese an allocation of both rail and port capacity through the different manganese export channels for international markets.

Kalagadi Manganese has participated in the MECA programme since inception, mainly through providing forecasts to Transnet for capacity determination purposes.

Founder and Chairperson, Daphne Mashile-Nkosi said she is pleased that after 12 years of engagement, Kalagadi has finally reached agreement with the state-owned entity.

"This contract, which as part of the MECA2 project, will offer us an opportunity to move 3 million tonnes product from the Kalagadi Mine and Sinter Plant in the Northern Cape through to Eastern Cape Province Ports.

This partnership supports a job creation of over 1250 direct opportunities through various parts of our value and these will make a contribution of R6.2 billion annually to the country's GDP

She said, the partnership with Transnet speaks directly to Kalagadi goals of providing a guaranteed and trusted environment for Kalagadi's exports, which are secured from global and domestic economic uncertainties.

"As an entity, we want to be an active contributor to the country's mission of retaining the position of being the leading exporter of high-grade beneficiated manganese. And this contract gives us the opportunity to make that dream a reality," said Mashile-Nkosi.

Since the inception of the MECA2 programme in 2015, Transnet has witnessed an increase of manganese export volumes from 5 million tons per annum to the current 15.1 million tons per annum.

To date, Transnet has concluded ten MECA2 contracts with local manganese producers.

Transnet Chief Customer Officer Mike Fanucchi said: "This is an indication that Transnet is serious about the integration of its operations to suit customer needs. When we commenced with the MECA process, and the integration of our service offering, we only had two manganese companies playing in the export manganese markets. We are excited to see this number increasing."

Transnet together with key manganese producers have set aside 15% percent of the overall manganese export line capacity for the new entrants in the manganese export market.

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