

MANTENGU MINING LIMITED
Incorporated in the Republic of South Africa
(Registration number 1987/004821/06)
Share code: MTU ISIN: ZAE000320347
(**"Mantengu"** or **"the Company"**)

ACQUISITION OF SUBLIME TECHNOLOGIES PROPRIETARY LIMITED

1. Introduction

The board of directors of Mantengu (**"Board"**) is pleased to advise shareholders of the acquisition by the Company of the entire issued share capital of Sublime Technologies Proprietary Limited (**"Sublime"**) (**"Sale Shares"**) from Sintex Minerals and Services Incorporated, a private company incorporated in the State of Texas in the United States of America (**"Acquisition"**).

2. Nature of the business of Sublime and Rationale

Sublime, located in Mpumalanga in South Africa, manufactures and distributes silicon carbide (**"SiC"**). SiC is a hard chemical compound containing silicon and carbon, which is produced in both powder and crystal forms. Sublime is the only producer of SiC in Africa and currently accounts for approximately 2% of the global market share. SiC's primary application is as an abrasive due to its exceptional hardness, second only to diamond. SiC is a ceramic material with excellent thermomechanical properties, including high thermal conductivity. The SiC produced by Sublime is utilised in the following markets:

- Abrasive market: SiC serves as a critical raw material in bonded, coated and granular abrasive products. It is essential in applications such as wire sawing, grinding wheels, sandpaper, abrasive blasting and etching.
- Refractory market: Due to its high temperature resistance and abrasive durability, SiC is used to manufacture refractories for furnaces and other components exposed to high heat. The ceramics industry is among the largest consumers of SiC in the production of high-performance materials.
- Metallurgical market: In metallurgy, SiC is utilised for the deoxidation and recarburation of cast iron and steel, playing a pivotal role in foundry operations. It is widely used in the electric furnace production of grey, ductile, and malleable cast iron, improving the quality and efficacy of the casting process.

The Acquisition is in line with Mantengu's strategy of unlocking new value in the mining services sector.

3. Financial information

The audited net asset value of Sublime as at 31 December 2023 was R247 million. The audited profit after taxation for the year ended 31 December 2023 was R12 million. The annual financial statements for the year ended 31 December 2023 were audited by PricewaterhouseCoopers Inc.

4. Salient Commercial Terms

- The purchase price for the Sale Shares is the Rand equivalent of USD100,000.00.
- Total assets acquired are R240 million.
- Total liabilities assumed are R35 million.
- The bank balance assumed is USD1 million.

5. Categorisation

Due to its relative size, the Acquisition falls below the threshold of a categorised transaction in terms of the Listings Requirements of the JSE Limited and its announcement is therefore voluntary.

Johannesburg
28 October 2024

Designated Adviser
Merchantec Capital