

Transaction Presentation

GB1

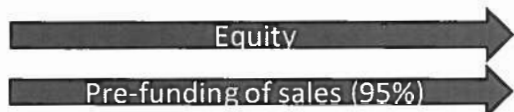


SEFATEM

CHROME VALLEY DEVELOPMENT

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**TRAXYS**  
Sponsor



Proceeds Account (Nedbank)



Nedbank Account

**NEDBANK**  
CIB  
Lender



**Murray & Roberts**  
**Murray & Roberts Cementation**



MTCUM



Nedbank Account

**SEFATENG**  
CHROME MINE  
Guarantor



**SEFATENG**  
CHROME VALLEY DEVELOPMENT

1. Role Players
2. Problem Statement
3. Simplified Structure
4. Security and risk mitigation



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## Company / Party

## Description



- International trading company, involved from exploration to marketing.
- Over US\$6 billion turnover
- Over 20 Global Offices
- Major shareholder: The Carlyle Group – NASDAQ listed, more than US\$200bn assets
- USD 1,500,000,000 multicurrency syndicated revolving credit facility
- <https://www.traxys.com>

**TRAXYS**

*Sponsor*



*Lender*

- ❖ Nedbank CIB is the lender
- ❖ 60% Loan: 40% Equity
- ❖ 7 year term
- ❖ Finance on peak funding model
- ❖ Various security required and the relationships via escrow accounts simplified (see next slide)
- ❖ Aim to get a larger part of the revolving credit facility (Trade finance) with Traxys



- RBA owns a smelter (Richards Bay) to produce FeCr as well as the contract, LOM, with Sefateng Chrome Mine to: Develop the mine, arrange financing, and has right to all the offtake which it markets via Traxys.
- A requirement from Nedbank is to have a ring-fenced entity which does not contain any other liabilities or assets other than the Sefateng Underground Mine – gave rise to Sefateng Chrome Valley Development.



*Borrower*

- ❖ New ring fenced entity as required by Nedbank CIB.
- ❖ Same shareholding as RBA: 10% BBBEE and 90% owned by Traxys (51.88%), Totabax (19.71%), GIAS (19.71%) and Management (1.9%)



*Guarantor*

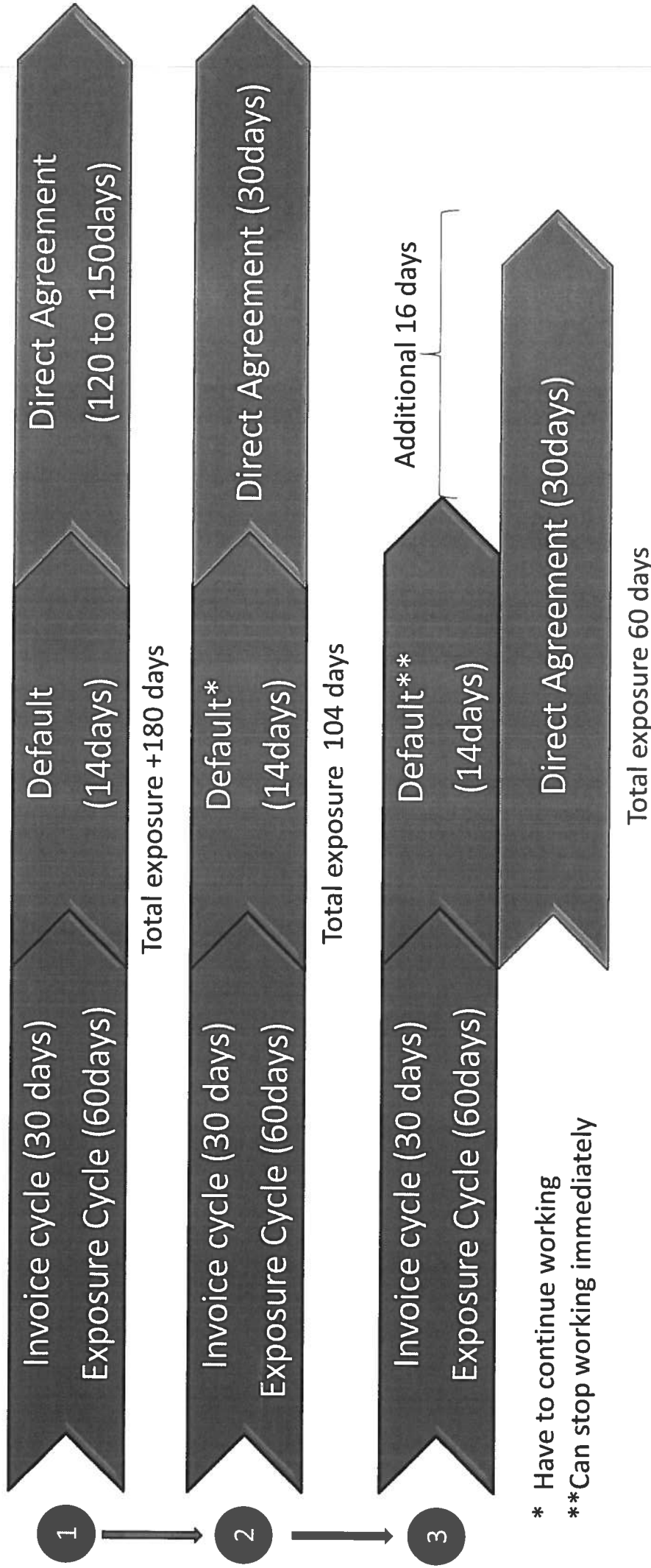
- Mining Right Holder – mined opencast for past 4-5 years and sold 1.6mil tonnes of material through Traxys
- Shareholding: 19.95% Traxys, 5% by 3 communities, 55% CMR and the remainder by BBBEE.
- Responsible for the SLP and Environmental Rehabilitation
- Outsourced the arranging of finance, development of the mine and mining operation to RBA (SCVD) and MTCUM

- ❖ Ring fenced entity as required by Nedbank.
- ❖ Requirement from the Auditor General due to their history as MTC in the underground operations.
- ❖ BBBEE party

## MTC Underground Mining



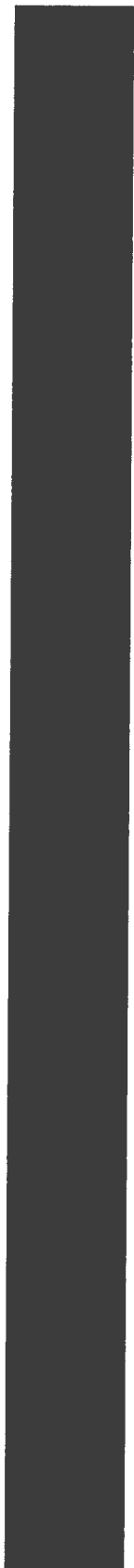
*AS*



\* Have to continue working  
 \*\*Can stop working immediately

Other risks mentioned in conjunction with above:

- 1) MTCUM
- 2) Complex Structure



**Company / Party**

**Role**

**TRAXYS**

**SPONSOR**

- Guarantees the obligations of the borrower (SCVD)
- Pre-funds all the material sales at 95% - immediate revenue
- Provides the equity
- Provides security for the PMFA regulated CMR shares (55%) \*
- Buy out option of project if needed to prevent cross default (Major risk to sponsor)
- Direct Agreements
- Subordination Agreements



**LENDER**

- ❖ Enforced new ring fenced entities (SCVD and MTCUM)
- ❖ Enforced Escrow Accounts with Nedbank taking control over these accounts
- ❖ Cashflow Waterfall payment structure:
  - Payment of Taxes
  - Payment of fees, costs, charges and expenses
  - Payment of mining contractor (MRC)
  - Repayment of interest, break costs and hedging costs
  - Repayment of outstanding debt principal
  - Funding the debt service reserve account
  - Cash sweeps
  - Dividends
- ❖ Strict cover ratios
- ❖ Strict technical and project completion requirements:
  - Steady state production proven
  - Cover ratios for next 2 years can be show that it can be met

**Company / Party**



**Role**

**Borrower**

- All accounts with Nedbank and security taken over these
- Shareholder pledge and cession
- Borrower pledge and cession
- Direct Agreements
- Subordination Agreements
- LTA throughout the project

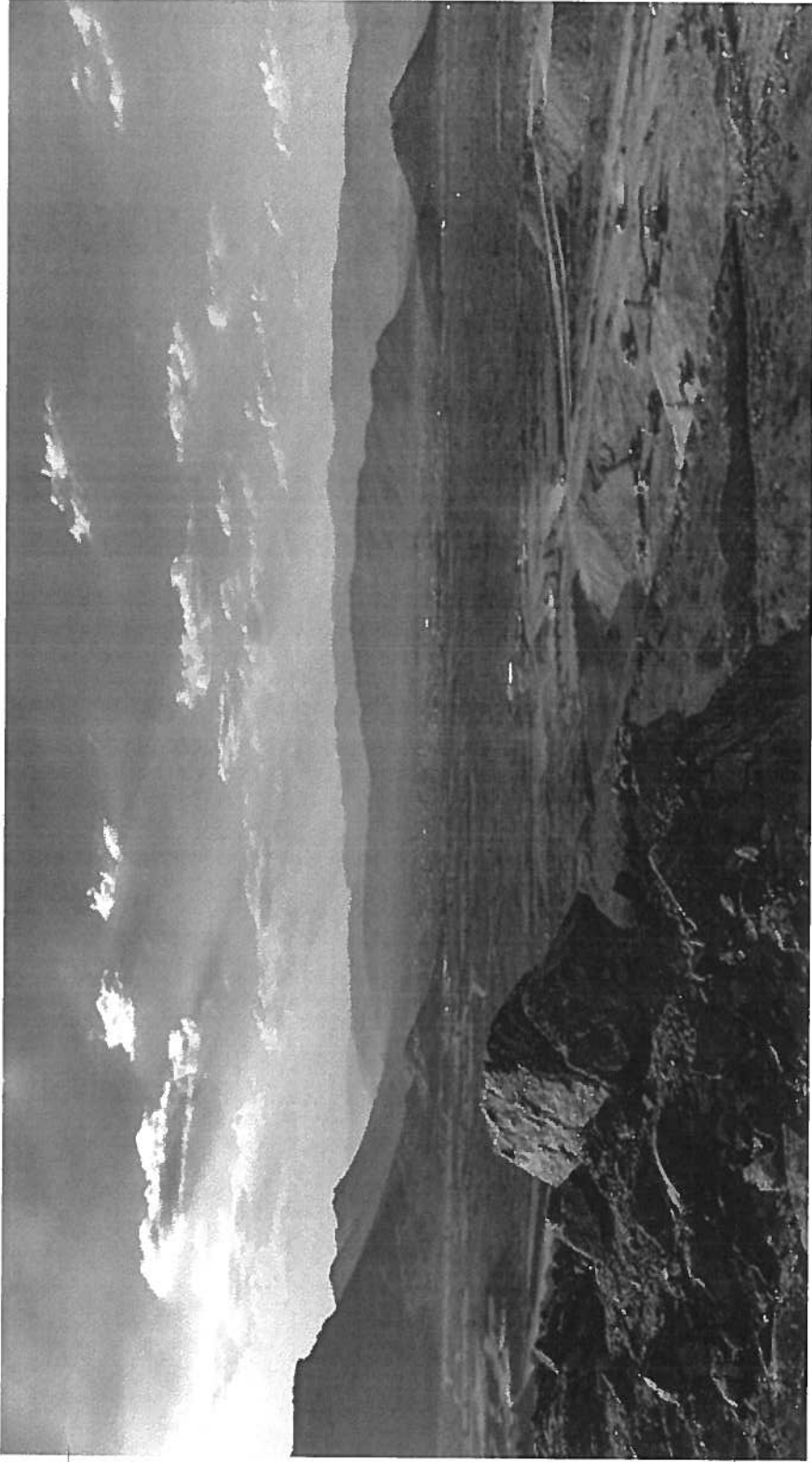
**Guarantor**

- ❖ Mortgage bond over mining right
- ❖ Shareholder pledge and cession
- ❖ Guarantor pledge and cession
- ❖ Notarial bond over all movable assets
- ❖ Direct Agreements
- ❖ Subordination Agreement



*[Handwritten signatures]*





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