

## **Tshipi's manganese profits part of 'perfect combo' for Jupiter's growth**

<https://www.metalbulletin.com/Article/3774499/Tshipis-manganese-profits-part-of-perfect-combo-for-Jupiters-growth.html>

South African manganese miner Tshipi's profits, driven by high manganese ore prices in 2017, are part of a perfect combination for the growth of its majority owner, Jupiter Mines chief executive officer Priyank Thapliyal told Metal Bulletin.

Such growth is likely to result from new projects and mergers and acquisitions (M&A), Thapliyal noted.

Metal Bulletin's 37% manganese ore index fob Port Elizabeth reached [\\$4.97 per dry metric tonne unit](#) as of Friday December 8, compared with a year-to-date low of \$2.23 in March and a high of \$5.13 in September.

Tshipi has mining and processing capacity for 3.6 million tonnes of manganese ore and recently confirmed it is on track to produce 3 million tonnes in the full 2018 financial year.

Jupiter, which owns 49.9% of Tshipi, announced in November that it was [canceling a planned sale of the manganese mine](#) and was considering options for its own future. These options could include an initial public offering (IPO) of Jupiter on the Australian Stock Exchange (ASX), a sale of Jupiter or M&A activity, the company said.

"The focus over the last few years has been to create Tshipi as a long-life, low-cost, significant producing asset. That has been achieved with its 100-year life, 3-million-tonne-per-year production/sales volumes, low operating costs and current profit speaking for itself," Thapliyal told Metal Bulletin.

"We are confident that with this positioning Tshipi will make money throughout the cycle and, with full capital recovered, create attractive returns for its shareholders," he added.

"This track record positions Jupiter well for its 2018 IPO plans. The cash flow from Tshipi and the shares are a perfect combination to further grow Jupiter via new project development and M&A," Thapliyal said.

Jupiter announced in December that it had recorded a profit of more than Australian \$33 million after tax for the half year to August 2017, adding that its share of profit from the Tshipi mine was A\$33.79 million. This compares with Jupiter's profit of just under A\$14 million for the same period the previous year and a share of profit from the Tshipi mine of A\$8.94 million.

Tshipi produced 2.27 million tonnes of manganese ore in the year to February 28, 2017, generating net income of A\$60 million. For the year ended February 28, 2016, the mine produced 1.54 million tonnes and generated a loss of A\$11 million.

In November, Jupiter chairman Brian Gilbertson said that if manganese ore prices continued to hold, Tshipi would have a chance of fully repaying its shareholders' capital investment of 2 billion South African rand (\$140 million).