

THE AUSTRALIAN

Business

By Jupiter, fledgling miner returns to ASX with \$800m market cap - DATAROOM

BRIDGET CARTER & SCOTT MURDOCH

370 words

18 April 2018

The Australian

AUSTLN

Australian

18

English

© 2018 News Limited. All rights reserved.

The next stage of Jupiter Mining's corporate history will emerge today when the manganese investor returns to the public markets after finalising a \$240 million capital raising, one of the largest mining deals in recent history.

The size of the transaction exceeded expectations and the company, through lead adviser Hartleys, reportedly could have raised \$300m.

Jupiter was delisted in late 2014 after the global market downturn for commodities, especially manganese, which pushed its shares to below 10c.

At that level Jupiter was valued at about \$200m, which prompted chairman Brian Gilbertson to delist the company from the ASX because he felt the market was not properly valuing manganese mine Tshipi for the type of scale and long-life asset that he believed it represented.

Nearly four years on, Jupiter will return to the ASX today with a market capitalisation of almost \$800m.

Under its private ownership structure, Pallinghurst held about 85 per cent and its major investors will cut their stakes to increase liquidity. Pallinghurst is made up of AMCI, Investec, Posco, Dutch pension fund APG and Texan hedge fund ENG.

The company owns a 49.4 per cent stake in the Tshipi manganese mine in South Africa, which is coincidentally next door to South32's assets.

The mine, expected to be operational for 100 years, is four years into that predicted life.

A major driver behind investor sentiment towards Jupiter is the dividend policy that the board has put into place.

The directors have promised a 70 per cent payout ratio, boding well for a company that has no debt on its balance sheet and cash of about \$70m. The cash on hand ensures the first-half dividend of Jupiter has already been locked in before the proceeds from sales in that time come in.

In the \$240m raising, about \$225m was placed with institutional investors and \$15m went to retail shareholders.

The company is also confident that it will stand to benefit from a looming supply cut in the manganese market. China will stop production of low-end manganese in its ongoing efforts to take the pollution crisis in the country.

Document AUSTLN0020180417ee4i00040