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Baker McKenzie Advised Mantengu Mining in ZAR 500 million share subscription facility with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited

Share



A team from Baker McKenzie in Johannesburg has advised Mantengu Mining Limited on an innovative share subscription facility agreement with global investment firms Global Emerging Markets (GEM) Global Yield LLC SCS and GEM Yield Bahamas Limited. The transaction provides Mantengu with access to a ZAR 500 million share subscription facility. The deal is innovative in that it introduces an arrangement that facilitates equity investment by GEM in Mantengu rather than involving traditional debt. The deal has received South African Reserve Bank approval.

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The transaction has several key components, including the issuing of "Consideration Shares" to the investors, which will be governed by a set of conditions, "Warrant Shares, that grant the investor the option to subscribe to up to 20 million ordinary shares, and a commitment obligation from Mantengu to GEM equivalent to 2% of the ZAR 500 million share subscription facility.

Led by Corporate M&A Partner Marc Yudaken in Johannesburg, the Baker McKenzie team included Tanya Seitz, Director Designate, Corporate/M&A. Johannesburg.

Lead partner Marc Yudaken noted, "We are proud to have advised on this unique transaction structure that will enable Mantengu Mining to shore up working capital and allocate funding to capital expenditure projects without incurring traditional debt. This will ensure that Mantengu is able to adapt to changing market conditions and expand its operations to ensure long-term efficiency and sustainability. This is great news for this next-generation mining investment company that is fully committed to broad-based black economic empowerment in South Africa, and for the country's mining sector as a whole."

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