
Ruukki buys 84.9% stake of Mogale Alloys

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South African subsidiary Ruukki Group, Ruukki South Africa has acquired an 84.9% stake in Mogale Alloys, in Krugersdorp, from JSE-listed commodities trading company Metmar for about R2-billion.

Ruukki said that the subsidiary was planning to make further investments in South African minerals and metals operations adding that it was particularly interested in minerals and alloys, with a focus on chrome and platinum processing.

Of the purchase amount, ZAR 1.2 billion was payable immediately, with ZAR 1.125 billion going to the vendors and a further ZAR 75 million being paid into the Mogale Management Trust over five years.

The remaining ZAR 800 million would be financed by the vendors with ZAR 200 million to be repaid after a year and ZAR 600 million to be repaid over the next five years.

Smit said the Mogale acquisition was an ideal opportunity for Ruukki, both as a ferrochrome operation and as a base from which Ruukki could expand into platinum and other metals processing.

He said that “As demand recovers, ferrochrome market prices are expected to outperform other minerals, owing to limited supply and growing demand. The Mogale transaction expands and diversifies Ruukki’s current Turkish and German minerals capabilities of special grade ferrochrome, and gives opportunities to utilize existing sales channels.”

(Sourced from miningweekly.com)

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