

# GLENCORE

**Baar, Switzerland  
13 February 2017**

## **Glencore purchases stakes in Mutanda and Katanga**

Glencore has today purchased from subsidiaries of Fleurette Properties Limited (“Fleurette”) the Fleurette group’s remaining 31% stake in Mutanda Mining Sarl (the “Mutanda Shares”) and an approximate 10.25% stake in Katanga Mining Limited (the “Katanga Shares”).

The consideration for the Mutanda Shares and the Katanga Shares has been determined based on an analysis by BMO Capital Markets Limited who was engaged by Glencore to provide an independent view as to the value of the Mutanda Shares and Katanga Shares for the purposes of the transaction.

The consideration for the Mutanda Shares is US\$922 million and the Katanga Shares is US\$38 million.

Glencore will set-off against the cash consideration payable to Fleurette, loans owing to the Glencore group by Fleurette and its affiliates, and secured over the Mutanda Shares, amounting to US\$556 million of which US\$120 million comprises accrued interest. In addition, Glencore has acquired shareholder loans owed to the Fleurette group by Mutanda Mining Sarl in the amount of US\$130 million.

Accordingly, the aggregate cash consideration payable by the Glencore group in respect of the transactions is US\$534 million.

In addition, Glencore has acquired a further 15,325,000 shares in Katanga Mining Limited (“Katanga”), corresponding to an approximate 0.8% stake, which were held as the security for a loan provided to Ruwenzori Limited, a member of the Fleurette group, in connection with Ruwenzori’s acquisition of 25,000,000 shares in Nikanor PLC which were issued as part of a private placement. Nikanor PLC subsequently merged with Katanga and the shares were exchanged for shares in Katanga.

Glencore now owns 100% of the shares in Mutanda and approximately 86.33% of the shares in Katanga.

The transactions (taken together) constitute a smaller related party transaction as defined in Listing Rule 11.1.10 and Glencore has accordingly obtained written confirmation from a sponsor that the terms of the transactions with Fleurette and its affiliates are fair and reasonable as far as the shareholders of Glencore are concerned.

### **For further information please contact:**

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### **About Katanga and Mutanda**

#### **Mutanda Mining SARL**

Mutanda is a high grade copper and cobalt producer, with its operations located in the province of Lualaba in the DRC. As of December 2016, Mutanda production was at an annualized production rate of above 200 ktpa. of copper cathodes and 24 ktpa of cobalt in hydroxide. In addition, Mutanda has installed capacity to produce 390 tonnes per day of sulfuric acid and 73 tonnes per day of sulfur dioxide, for use in the hydrometallurgical complex.

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### **Katanga Mining Limited**

Katanga operates a major mine complex in the Democratic Republic of Congo producing refined copper and cobalt. The company has the potential to become Africa's largest copper producer and the world's largest cobalt producer. Katanga is listed on the Toronto Stock Exchange under the symbol KAT. Katanga's processing operations were suspended in September 2015 with no production in Q4 2015. Full year copper production for 2015 from own sources was approximately 113kt. The suspension continued through 2016 and production is expected to resume once the Whole Ore Leach project is completed which is expected in the second half of 2017. Financial results for Katanga can be found on [www.katangamining.com](http://www.katangamining.com).

### **Additional disclosure pursuant to Canadian securities laws**

Immediately before the transactions described above, Glencore, through its wholly-owned subsidiary Glencore International AG ("**GIAG**"), beneficially owned, or had control or direction over, 1,435,848,228 shares in Katanga representing approximately 75.28% of the outstanding shares of Katanga. GIAG acquired a total of 210,765,700 shares in Katanga from Fleurette. After giving effect to the acquisitions described above, the percentage of the outstanding shares of Katanga beneficially owned by Glencore, or over which it had control or direction, increased by 11.05% and Glencore now beneficially owns, or has control or direction over, a total of 1,646,613,928 shares in Katanga representing approximately 86.33% of the outstanding shares of Katanga (based on there being a total of 1,907,380,413 shares of Katanga outstanding).

The Katanga Shares were purchased for an aggregate purchase price of US\$37,691,546.73 or US\$0.19285 per share. Using the Bank of Canada noon exchange rate on February 10, 2017, this represents an aggregate value of C\$49,277,929.50 or C\$0.25214 per share.

Glencore's acquisition of shares in Katanga was made as part of a broader series of transactions with the Fleurette group as described above. Glencore holds its interest in Katanga for investment purposes and will continue to review its investment alternatives from time to time, and may determine to increase or decrease its equity ownership in Katanga through the acquisition or sale of shares of Katanga or other securities of Katanga through open market or privately negotiated transactions in accordance with applicable securities laws.

In purchasing the Katanga Shares, Glencore has relied on the "private agreement exemption" contained in section 4.2 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids* ("**NI 62-104**") on the basis that (i) the purchase was not made from more than five persons in the aggregate, (ii) the offer to purchase was not made generally to all holders of shares of Katanga, and (iii) the value of the consideration paid for the Katanga Shares, including brokerage fees or commissions, was not greater than 115% of the market price of the shares of Katanga, as determined in accordance with section 1.11 of NI 62-104.

Katanga's head office is located at Suite 300, 204 Black Street, Whitehorse, Yukon, Canada, Y1A 2M9.

Glencore and GIAG's head office is located at Baarermattstrasse 3, CH-6340 Baar, Switzerland.

A copy of the early warning report corresponding to this press release can be obtained by contacting the persons named above and will be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

This announcement contains inside information.

**Notes for Editors**

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.


Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

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