

Hernic Ferrochrome

Business Rescue Process



Hernic Ferrochrome is a major miner, manufacturer and distributor of ferrochrome, and its related products and minerals, for export to mainly Asia and Europe. Hernic commenced business rescue proceedings with the appointment of Trevor Murgatroyd and Peter van den Steen. They managed a successful business rescue process which culminated in the disposal of the business as a going concern to Samancor Chrome.

Project Summary

Client	Hernic Ferrochrome Proprietary Limited
Structure & Presence	South Africa
Industry	Ferrochrome mining and processing
Start Date	September 2017
End Date	June 2021
Transaction Highlights	Successful disposal of the business as a going concern to Samancor; saved in excess of 1,000 jobs

Overview of the entity / business:

- Hernic is a miner, manufacturer and distributor of ferrochrome and related products and minerals, including but not limited to PGMs. Hernic mainly exports its final products Asia and Europe.
- Hernic is located on the western limb of the Bushveld Complex and employed approximately c.700 permanent employees and c.1,500 contract workers as at the commencement of business rescue.
- Hernic owns and operates one opencast mine and has two underground mines. It also owns and operates; four ore beneficiation plants, four closed-furnaces as well as pelletizing and sintering plants and two ferrochrome recovery plants.

High-level scope of services:

- Trevor Murgatroyd and Peter van den Steen of Metis were appointed as joint business rescue practitioners of Hernic.
- The business rescue practitioners were tasked with managing the business rescue, its sale processes and administrative functions.

Result:

- Upon adoption of the business rescue plan, the business of Hernic was sold to Samancor Chrome as a going concern, which realised an optimal recovery for its creditors.
- Successful conclusion and implementation of the sale transaction thereby preserving over 2,000 jobs.
- Liquidation avoided and the business operations and assets preserved.