

Amsa ordered to pay R285m

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THE South Gauteng High Court on Tuesday ruled that steelmaker, ArcelorMittal SA (Amsa), pay R285m to its partner in a manganese venture, Kalahari Resources (KR) within five days.

The order was given to repay funding obligations KR made on AMSA's behalf between 1 July 2011 and 31 January 2012.

Judge Phillip Coppin further ordered Amsa, to pay within the same time frame, an amount of R241m to the manganese venture itself for funding obligations from February 1 2012 to May 31, 2012.

The judgement ordered AMSA to carry on with its 50% funding obligations from June 1, 2012 and to carry all legal costs involved with the court case. The venture, Kalagadi Manganese (KM), was founded, managed and 40% owned by the black women owned company, Kalahari Resources, along with a further 50% owned by AMSA and 10% by the Industrial Development Corporation (IDC). Reacting to the High Court decision, Kalagadi chairman Daphne Mashile-Nkosi said it was a significant step forward for the joint venture and was especially good news for the Northern

Cape and Eastern Cape provinces.

"It means the people of the Northern Cape will get their two-in-one project – the mine and the sinter plant – while the people of the Eastern Cape will get the smelter which will provide a major anchor project for the port of Coega".

AMSA issued the following statement: "While ArcelorMittal respects the court's rulings, it is nevertheless disappointed, as this does not resolve the real issues, namely, that certain material obligations under the Kalagadi Manganese shareholders agreement have been breached, and that there remain serious shortcomings in terms of corporate governance within Kalagadi Manganese."

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