

ArcelorMittal to Sell its Stake in Kalagadi Manganese

Steel company ArcelorMittal is backing out of its acrimonious manganese mining shareholding in Kalagadi Manganese, which has developed an underground mine in South Africa's Kalahari manganese belt. ArcelorMittal announced from its headquarters in Luxembourg that it was selling its 50% Kalagadi stake to project founder and Kalagadi Chairperson Daphne Mashile-Nkosi - or her yet-to-be-named nominee. The announcement follows a South Gauteng High Court ruling in June 2012, which gave ArcelorMittal ten days to meet its R241.3-million Kalagadi shareholders agreement. ArcelorMittal said on Thursday 15 November 2012 that Ms Mashile-Nkosi, or her nominee which might

be a consortium consisting of some of the existing Kalahari Resources shareholders would acquire ArcelorMittal's 50% Kalagadi shareholding for R3.9-billion (\$447-million) cash. It was reported in early 2008 that ArcelorMittal had paid \$432.5-million for its Kalagadi interest. On completion of the latest transaction, Kalahari Resources, ArcelorMittal said, would hold 40% interest in Kalagadi Manganese, Ms Mashile-Nkosi, or her nominee, 50%, and South Africa's state-owned Industrial Development Corporation (IDC) the remaining 10%. It was Kalahari Resources that in May 2012 requested the South Gauteng High Court to ensure that ArcelorMittal honoured its shareholder agreement obligations, after the steel-

maker had failed to settle the matter out of court. An oft-publicised but still proposed 320 000 t/y high-carbon ferromanganese smelter at Coega in the Eastern Cape has lagged Kalagadi's manganese mine and sinter plant, in Hotazel, in the Northern Cape. The plan, was for the three-million tons of ore a year to serve as the feedstock for the production of 2.4-million tons a year of sinter, of which 1.7-million tons a year would be marketed and 700 000 t/y smelted into 320 000 t/y of high-carbon ferromanganese. At the time it was said that the IDC was keen to promote optimum beneficiation, hence the smelting aspiration, and that ArcelorMittal had secured an offtake agreement of 850 000 t/y. *Mining Weekly*