

ArcelorMittal to appeal R241m award

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GLOBAL steelmaker ArcelorMittal received permission to appeal a High Court ruling that ordered it to pay R241.3-million to Kalagadi Manganese, which is developing a mine and sinter plant in the Northern Cape.

On Friday, Judge Phillip Coppins ruled in favour of ArcelorMittal, saying a different judge may have a different interpretation of the shareholders' agreement between ArcelorMittal, which owns 50% of Kalagadi, Kalahari Resources, with 40%, and the Industrial Development Corporation, with 10%.

ArcelorMittal, which has invested more than \$430-million (R3.6-billion at current rates) into the project to date, stopped funding Kalagadi last year, citing governance concerns, court papers show.

Coppins previously agreed with Kalahari's argument that the shareholders are responsible for putting up capital if funding from banks are not available.

Kalahari, in which the late Sandile Majali allegedly held a stake through Siyanda Mining, won an urgent court interdict at the beginning of August to force ArcelorMittal to pay the money while the application for leave to appeal was still pending.

It said in court papers Kalagadi, which is headed by Kalahari director Daphne Mashile-Nkosi, faced an "urgent and real" risk of liquidation if funds are not made available.

Kalahari denies that Majali, a controversial businessman and ANC funder, owned shares in the company.

ArcelorMittal paid the cash about two weeks ago after Kalahari put up its shares in Kalagadi as security, said Anne van Ysendyck, head of legal, risk & compliance at ArcelorMittal and a Kalagadi director.