

# ArcelorMittal to sell stake to Kalahari Resources

**By ALLAN SECCOMBE**

ARCELORMITTAL, the world's largest steel maker, is selling its 50% stake in the Kalagadi Manganese project for R3.9-billion to Kalahari Resources.

The mine and sinter plant project is housed in Kalagadi Manganese, an unlisted company 50% owned by ArcelorMittal, the parent of the local steel maker ArcelorMittal SA.

Kalahari Resources holds 40%, and the Industrial Development Corporation owns the balance of 10%.

"ArcelorMittal and Kalahari's [chairwoman] Daphne Mashile-Nkosi are pleased to announce that a definitive agreement has been reached whereby Mashile-Nkosi, or her nominee, which may be a consortium consisting of some of the existing Kalahari Resources shareholders and/or other third parties, will acquire ArcelorMittal's 50% interest," ArcelorMittal said yesterday.

ArcelorMittal will receive cash of not less than R3.9-billion.

The proposed transaction will be subject to financing arrangements. Relations

between ArcelorMittal and Kalahari have broken down, with the steel maker alleging a lack of corporate governance in Kalagadi, while Kalahari has accused ArcelorMittal of wanting to wrest control of Kalagadi away from other shareholders.

The parties went to court over a dispute about funding the project.

How Kalahari will fund the purchase was not immediately clear.

The project is expected to deliver up to three million tons of sintered manganese a year. — *BDlive*