

Ferrox moots steel factory in Limpopo

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BRITISH Virgin Islands-based Ferrox Holdings, which recently announced the sale of a 20% stake to former Reserve Bank governor Tito Mboweni and his brother, says it may build a steel plant in Limpopo after receiving the necessary mining approval for its Tivani iron-ore project.

"Our vision for Limpopo generally follows that of the Industrial Development Corporation to deliver an independent steel smelter in that area," John Drics, a director at Ferrox, said from the US yesterday.

The smelter would cater for both domestic consumption and the export market, he said.

ArcelorMittal SA has about 70% of the market, but Ferrox CEO David McAdam said yesterday there was room for another steel producer.

Concern has been growing in

SA over high steel prices, which with higher energy prices have raised the cost of doing business. The Department of Trade and Industry has been encouraging new entrants into the market.

Ferrox may involve another partner in building the smelter.

The unlisted Ferrox has confirmed 470-million tons of measured, indicated and inferred resources. The company's mining application was submitted in August and is still being reviewed by the Department of Mineral Resources.

Earlier this week, Ferrox signed a memorandum of understanding with Tito Mboweni and his brother Alto to acquire a 20% stake in Ferrox for \$32m.

The company, which aims to list on the Toronto Stock Exchange and make a secondary listing on the JSE, is privately held and has a 74% indirect interest in the Tivani iron-ore project.

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