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THE INDUSTRIAL Development Corporation (IDC) reiterated its commitment to the Kalagadi Manganese project yesterday amid a dispute between its partners in the project, ArcelorMittal and Kalahari Resources.

ArcelorMittal is a 50 percent shareholder in Kalagadi, while Kalahari Resources owns 40 percent and the IDC 10 percent. ArcelorMittal paid \$430 million (R3.5 billion) for its stake and injected nearly R100m last year,

IDC still committed to Kalagadi project

but the ongoing funding strategy is in dispute.

Kalahari has invested R1.3bn in the project, and the IDC has put in R250m.

ArcelorMittal's application for leave to appeal against a court order in favour of Kalahari is likely to be heard when the courts resume next week after recess.

Last month the South Gauteng High Court ruled that ArcelorMittal should pay R241m into Kalagadi within 10 days to honour its commitments as a shareholder.

Anne van Ysendyck, who represents ArcelorMittal on the Kalagadi board, said that the Luxembourg-based steel maker had applied for leave to appeal

to the South Gauteng High Court on July 3. The application was made before the deadline for payment.

The court order had, therefore, been suspended pending a decision on the application for leave to appeal, she said.

Kalagadi is constructing an R11bn project, including a mine and sinter beneficiation plant

near Kuruman in the Northern Cape and a smelter at Coega, near Port Elizabeth.

"ArcelorMittal would like to reiterate that it believes firmly in the mine and sinter project being developed by Kalagadi Manganese and potentially the smelter, provided the smelter feasibility is reviewed and demonstrated to be financially

feasible on a stand-alone basis," Van Ysendyck said.

She said the smelter study must be done in terms of an evaluation to be prepared and furnished by qualified outside consultants for consideration by the board of Kalagadi.

"Since inception in 2008, ArcelorMittal and its representatives on the board have attempted to establish basic and standard corporate governance safeguards in the conduct of the affairs of the company," she said.