

Kalagadi 'will raise capital for manganese mine'

ALISTAIR ANDERSON
Industrial Correspondent

JUNIOR miner Kalagadi Manganese will meet the capital requirements for its manganese mine and sinter plants in Hotazel, in the Northern Cape and begin production by September or even June next year, chairwoman Daphne Mashile-Nkosi said this week.

The manganese mine would be the world's biggest in terms of production, making about 3-million tons a year of the metal, for up to 100 years, she said.

The output had been predicted to


be 2.4-million tons, but 3-million tons had subsequently been declared a reasonable estimate, she said.

Ms Mashile-Nkosi's company Kalahari Resources owns 40% of Kalagadi Manganese.

Kalahari Resources is trying to buy 50% of the company from ArcelorMittal, the world's largest steel maker, for R3.9bn.

The Industrial Development Corporation owns 10%.

Ms Mashile-Nkosi and consortium partners are set to raise the R3.9bn by mid-February. "Mid-February is our deadline and it looks likely that we will meet it. The agree-

 Mid-February is our deadline and it looks like we will meet it

ment gave us 90 days, which end in February," she said.

Ms Mashile-Nkosi said she was bound by confidentiality agreements and could not give further details.

The Kalagadi Manganese mine and sinter project is priced at about R11bn. The three farms on which the company holds new-order mining rights have 960-million tons of manganese ore and a recent explo-

ration programme has identified 102-million tons of mineral resources. Project manager at the sinter plant, George Maluleke, said he had taken on German, Finnish and South Korean technology to ensure the plant was "state-of-the-art" and would function by the middle of next year.

A team of German engineers was also at the plant to install and manage a controls system. The team was to be stationed in the Northern Cape for about two years.

Kalahari Resources and Arcelor-Mittal's relationship started to take strain in July.

ArcelorMittal was against a ferro-manganese smelter that Kalahari Resources proposed building at Coega in the Eastern Cape.

But Ms Mashile-Nkosi said this week that her company would build the smelter at Coega.

"You can see the plans. I want a smelter to be built. The Northern Cape and Eastern Cape are two of this country's poorest provinces and I want to do my bit to change that," she said.

andersona@bdfm.co.za

■ *Alistair Anderson was hosted by Kalagadi Manganese.*