

# Kalahari pulls out all the legal stops

Daphne Mashile-Nkosi's Kalahari Resources has gone for broke in its courtroom battle against global steel giant ArcelorMittal.

But the company stands to lose its substantial stake in the R11.2 billion Kalagadi Manganese project if it comes off second best in the dispute.

The two major shareholders in Kalagadi will again trade legal blows on Friday in the South Gauteng High Court, where Kalahari will seek to enforce a June court order that compelled ArcelorMittal to cough up R241.3 million to honour its obligations under a shareholder agreement.

Luxembourg-based ArcelorMittal is appealing the judgment and if it wins the appeal process, Kalahari will have to cede its 40% stake in the Kalagadi project to the steel producer.

As part of a further court order issued earlier this month in favour of Kalahari, ArcelorMittal, which is a 50% owner of Kalagadi, was compelled to pay the money with immediate effect after it appealed the June judgment.

Although Kalahari won again, there was a sting in the tail. It was ordered to put up its shareholding in Kalagadi as security in the event ArcelorMittal was successful in its appeal.

Mashile-Nkosi said: "Kalahari Resources has to date delivered the cession of the security to ArcelorMittal SA's attorneys after it won an urgent application to enforce the judgment.

"ArcelorMittal was ordered by the court to pay R241.3 million to meet its obligations in terms of the shareholder agreement pertaining to

Kalagadi Manganese. No payment has been made to Kalagadi to date."

However, ArcelorMittal said it had not received the shares. Its spokesperson, Julian Gwillim, said: "Payment by ArcelorMittal to Kalagadi Manganese has not been made as the security to be provided by Kalahari Resources has not yet been finalised. The hearing regarding the application for leave to appeal has been set for August 31 (Friday). We have no further update at this time."

Kalagadi Manganese has built a manganese mine and sinter plant near Hotazel in Northern Cape.

As part of the project, there are also plans to build a ferromanganese smelter in the Coega Industrial Development Zone.

The Industrial Development Corporation owns 10% of the project.  
— Andile Ntingi