

Sishen saga still alive

Imperial, Minerals Department to appeal Constitutional Court ruling

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A FOUR-YEAR tug-of-war over one of the world's richest iron ore mines is not yet over.

The Constitutional Court has been called in to finally put the legal battle over mining rights at the Sishen Mine to rest.

Kumba Iron Ore announced yesterday that Imperial Crown Trading has indicated it will apply for leave to appeal a March judgment by the Supreme Court of Appeal.

The court ruled last month that a Kumba subsidiary, the Sishen Iron Ore Company, is the sole holder of

the right to mine iron ore at the mine.

The judgment is not only being appealed by Imperial, but also by the Department of Mineral Resources, according to Kumba's announcement.

The department's controversial granting of "prospecting rights" at the established mining operation to Imperial was widely criticised at the time and has since gone through the Pretoria High Court and the Supreme Court of Appeal, both ruling in favour of mining company Kumba.

The department did not respond

to a request for comment.

At stake are mining rights to Sishen in the Northern Cape, a rich source of iron ore, which was previously owned by steelmaker Arcelor Mittal (21.4%) and Kumba (78.6%).

Sishen Iron Ore Company applied for — and was granted — new order mining rights in terms of the Mineral and Petroleum Resources Development Act in 2008.

When Arcelor Mittal failed to apply for new order mining rights by the cut-off date on April 30 2009, its rights were not converted and Kumba's subsidiary was the only

holder of the rights.

This left it open for Kumba and other mining companies to apply for the mining rights, which they did.

When it emerged that Imperial was granted prospecting rights, even though it was not clear that it had followed the correct procedures, a legal battle ensued between the two companies.

It later emerged that Imperial has patchy experience in mining but has political connections — Deputy President Kgalema Motlanthe's partner, Gugu Mtshali, was one of its directors.