
Yomhlaba sues BHP and subsidiaries

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Yomhlaba Resources is suing BHP Billiton and its subsidiaries for R18.87 million (\$2.97 million) for its loss of income from production after BHP Billiton subsidiary Ingwe Collieries cancelled its contract with Yomhlaba in February.

Ingwe Collieries claimed that the reason for canceling the contract was fraud and theft.

Yomhlaba said yesterday it had made its own inquiries among its management and staff at the plant and was satisfied there was no fraud or dishonesty. After examining all the facts, Yomhlaba said it was convinced that Ingwe had no right to cancel the contract, but legal action had been delayed by attempts at mediation by some members of the board and by the wait for the result of a forensic investigation.

No settlement had been reached and the board had decided to go ahead with legal action. In the meantime it had to cease operations at Ingwe's Koorfontein and Douglas coal mines. As a result of the problems Yomhlaba experienced, it reported a net loss of R18.95 million, including impairment of assets, on beneficiation revenue of R21.58 million in the year to June.

Ilanga Coal Mines consists of coal mines in the Ermelo and Witbank coal fields and a plant that is currently running at 45,000 tonnes a month.

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