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"Thousands of jobs are at risk because the gold industry is top heavy."

*-Nick Holland*



Zondwa Mandela, MD of Aurora Empowerment Systems.

### **Aurora says it bags \$100m finance deal**

Allan Seccombe | Mon, 26 Apr 2010 14:35

[miningmx.com] -- AURORA Empowerment Systems has signed a financing deal of \$100m to buy two gold mines from liquidators and will make a public announcement on acquiring the mines on Thursday, a director said on Monday.

Liquidator Enver Motala said he'd spoken to Aurora's lawyer Michael Hulley as well as as director who told him they had signed documents and that official notification should be forthcoming before Wednesday. Tuesday is a public holiday in South Africa.

Aurora has managed the Orkney and Grootvlei mines since late last year after their bid of R605m was chosen by the liquidators of Pamodzi Gold's assets.

Aurora, however, ran into financial difficulties, particularly when their Malaysian financial backers AM Equity terminated their relationship. The black-owned company was unable to pay workers and recapitalise the two old mines.

The liquidators gave Aurora until 26 April to come up with the purchase price of the mines or lose the deal.

Aurora has been in talks with an unnamed North American private equity fund, which is apparently fairly well known.

"We've secured funding. We'll hold a press conference on Thursday where it will be Aurora, the liquidators and the party from America," said Thulani Ngubane, an Aurora director.

"We are more than excited. If someone still has the trust to put up \$100m that is a real achievement," he told Miningmx. He has said there will be a further \$100m loan that will be drawn down on to recapitalise the mines.

Aurora MD Zondwa Mandela said the deal still had a few issues still to resolve but they would be finalised. "I'm very confident it's going to happen," he said.

Liquidator Motala said: "I expect official notification by Wednesday. I know they were busy with lawyers the whole day and that an agreement was signed. That much I can confirm. They told me so."

Motala said he had little doubt of the truth of their comments, which came from Hulley, who also acts as lawyer for Jacob Zuma, the South African president. He is meeting Hulley at nine on Wednesday morning, but he expected the documents before then.

"The local bankers didn't give us a chance. These overseas guys did," he added. One of the concerns Aurora had was if money was raised domestically, it would have taken six months instead of the few weeks this deal has, and there would have been potshots taken at their family connections, he said.

The company is headed by Khulubuse Zuma, the nephew of Jacob Zuma, South African president and head of the ruling party, and Zondwa Mandela, grandson of Nelson Mandela.

"This deal will just make everyone shut their mouths," said Ngubane.

Aurora has plans to reverse the two mines into a listed cash shell called Labat, in which it has taken a 46% stake.