

## Swiss group may help Aurora's Pamodzi bid

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INVESTMENT company Aurora Empowerment Systems' troubled bid to acquire the liquidated assets of Pamodzi Gold may have been handed a lifeline after Swiss firm Global Emerging Markets (GEM) stepped in yesterday with a R725m guarantee.

This comes after Malaysian group AM Equity, which had initially provided guarantees for the funding, failed to honour those guarantees. This forced Aurora to scramble for new financiers before the end of this month, and left lingering doubts about the company's ability to raise the capital.

The announcement yesterday did little to allay the fears of thousands of workers, with the National Union of Mineworkers saying it remained sceptical about Aurora's financial position.

Although the liquidators of Pamodzi Gold's Grootvlei and Orkney assets were "encouraged" by Aurora's latest financial backers, they remained cautious until they saw details of the deal in writing. Liquidator Enver Motala said he was still considering an alternative buyer — a Chinese-led consortium — in case the GEM deal also fell through.

Aurora has been under pressure from the liquidators to present financial guarantees or lose the deal to acquire Grootvlei on the East Rand and Orkney in the North West to alternative buyers led by the Chinese consortium.

The acquisition of the assets by Aurora — whose directors include Nelson Mandela's grandson, Zondwa Mandela, as CEO; President Jacob Zuma's nephew, Khulubuse Zuma; and Jacob Zuma's former lawyer, Michael Hulley — has been dogged for months by the company's lack of funding since it was named the preferred bidder late last year.

Hulley said yesterday that under the deal, GEM had committed to subscribe for new shares in the listed entity Labat Africa that was being acquired by Aurora, for the purposes of a reverse listing on the JSE. In addition, the deal also allowed GEM to increase its credit equity line to Aurora up to R1,45bn.

Motala said he was encouraged by the latest developments but still needed documentation on the details of the deal. "We are encouraged by GEM because they are a credible entity, and I have notification from them that the funds mentioned will be made available. All we need to have now are the details of the conditions of the agreement to ensure there are no unnecessary delays in the finalisation of the sale."

Motala said he would ask the North Gauteng High Court today to extend the provisional liquidation order by another three months, during which time he hoped to have the sale of the liquidated assets finalised.

Aurora has been running the mines since late last year when its R605m bid was chosen by Pamodzi's liquidators. Since Aurora was named the preferred bidder, the mines have been closed as the company has faced funding problems and striking workers whom it has struggled to pay.

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