



## Troubled Aurora inks R750m equity deal with Swiss funder – Michael Hulley

0 COMMENTS |

[ADD A COMMENT](#) [PRINT](#) [EMAIL](#) |

By: [Martin Cremer](#)

29th April 2010

[TEXT SIZE](#)



JOHANNESBURG (miningweekly.com) – Financially troubled gold-mining aspirant Aurora Empowerment Systems has signed a R750-million equity capital agreement with Swiss funder Global Emerging Markets (Gem), Aurora director **Michael Hulley** said on Thursday.

Hulley told a media conference in Johannesburg that the agreement involved Gem buying up to R750-million worth of shares in a JSE entity that Aurora would be acquiring.

While no representative of Gem was present owing to international flight issues, the name **Warren P Baker** of Gem was passed on to media as the member of the Gem team involved in the deal. Present at the media conference, which follows weeks of labour protest and unrest at the Aurora-linked Grootvlei and Orkney gold mines, were Aurora CEO **Zondwa Mandela**, the grandson of former South African President **Nelson Mandela**; and Aurora chairperson **Khulubuse Zuma**, the nephew of South Africa's incumbent President **Jacob Zuma**. Hulley is best known as President Zuma's attorney.

Shortly after the media conference, the National Union of Mineworkers (NUM) released a statement to the media that more than 2 000 Grootvlei workers were without water supply, which NUM said had been cut off. "It's totally unacceptable," NUM general secretary **Frans Baleni** said.

Earlier, Hulley had described Gem as a \$3,4-billion alternative investment firm based in Geneva that had completed 285 transactions in 60 countries. Investment in the JSE-listed entity that Aurora intended acquiring would be Gem's first investment in South Africa.

Besides the R725-million in equity capital, Hulley said that the agreement gave Gem scope to increase its credit equity line to Aurora to R1,45-billion.

Further, Hulley said that Gem had been granted warrants to buy 40-million shares at a price to be determined. If Gem chose to exercise the warrants, Aurora would attain additional funding.

While international flight issues had precluded Gem from being represented at the media conference, Hulley said that he envisaged that Gem would be introduced to the media at a future date.

Aurora – which has come under intense labour pressure for the nonpayment of workers' salaries at the Grootvlei and Orkney gold mines – continued to make lofty text statements, which included being confident of becoming one of the principal players in mining.

Mandela, whose role as Aurora spokesperson is currently ceded to Hulley, said in written text that certain of the company's investments would be housed in a reverse listing into Labat Africa, a dormant JSE company. No clear reference was made, however, to the company that would be acquired to house the Gem investment.

In October, Aurora introduced AM Equity of Malaysia as its funder in its R605-million acquisition of the Orkney and Grootvlei mines, but none of that funding was forthcoming. Earlier in the process, the now liquidated former owner of the mines, Pamodzi Gold, repeatedly held out the hope of funding which did not materialise.

Despite Aurora's poor track record to date, Mandela chose to reiterate the company's ambition to partner major global gold-mining companies in black economic-empowerment deals, and to joint venture with juniors.

The company said that it had full discretion in determining the timing and size of the Gem drawdown amounts, based on its own assessment of market conditions, investment opportunities and funding needs.

Edited by: **Creamer Media Reporter**

<http://www.miningweekly.com/article/troubled-aurora-inks-r750m-equity-deal-with-swiss-funder-hulley-2010-04-29>