





**UPDATE ON PAMODZI  
AND GROOTVLEI  
LIQUIDATION**

NUM PRESENTATION TO MINERAL RESOURCES PORTFOLIO  
COMMITTEE, 30 MAY 2012

MADODA SAMBATHA: PARLIAMENTARY UNIT

---

---

---

---

---

---

---

---

### INTRODUCTION

- The developments at both mines are very frustrating from both the side of the Joint Provisional Liquidators (JPL's) and the new buyers in the sense that information is closely guarded and one has to detonate their mouths to get an update on developments in the two mines. The workers are powerless under the pretext of confidentiality of business transactions.

---

---

---

---

---

---

---

---

### INTRODUCTION, continues

- The lack of information is frustrating because as unions, we cannot also report back to our members because information is always a closely guarded secret.
- Below is the current information on the individual mines as related to us by the liquidators. There are no written details as written information is only received once in a while after onerous and time-consuming efforts.

---

---

---

---

---

---

---

---

**ORKNEY**

- The JPL's have been managing the mine through a company called MEAC to do care and maintenance of the mine and their contract is ending on 31 May 2012.
- China African Precious Mining (CAPM) has offered to purchase the mine at R150m and an amount of R75m has recently been deposited into a designated escrow account as part-payment of the purchase price.

---

---

---

---

---

---

---

**ORKNEY, continues**

- The whole transaction is expected to be concluded in 30 to 60 days depending on the DMR approval processes.
- The DMR licensing approval under section 11 of the MPRDA is awaited, dealing with, amongst others, whether the asset is ready and safe to be mined.
- CAPM will assume control from 1 June 2012 whilst the legal take-over process is being concluded.

---

---

---

---

---

---

---

**ORKNEY, continues**

- There is a Memorandum of Understanding on Recall of former employees once the mine starts preparing for operation.
- Generally, this is a positive process compared to the harrowing Aurora fiasco.

---

---

---

---

---

---

---

**GROOTVLEI**

- Gold-One has offered a purchase price of R70m which is a best price the JPL's could get as there was no investor who was interested in the asset due to the fact that the mine has been flooded and would be impossible to mine.
- Gold-One has in fact offered to mine the asset from a different and opposite angle and avoid the flooded area as a wasted asset.

---

---

---

---

---

---

---

**GROOTVLEI, continues**

- New prospecting has to be applied for and be approved by the DMR firstly as prospecting rights and later as mining rights.
- Gold-One is a South African company mining three (3) assets in the country and has deposited R7m in a designated account as part-payment of the purchase price.
- They have secured the site and illegal activities have been drastically decreased compared to the times of Aurora.

---

---

---

---

---

---

---

**GROOTVLEI, continues**

- The application has been submitted to the DMR and that process is unpredictable although the department is alleged to be very helpful.
- There is a Memorandum of Understanding on Recall of former employees once the mine starts preparing for operation.

---

---

---

---

---

---

---

### AURORA

- We are informed that initial investigations got underway with a view to prosecution of Aurora directors but the union does not have the capacity and energy to pursue this process besides ensuring that the two mines get underway and reinstate the workers.

---

---

---

---

---

---

---

### PARLIAMENT'S INTERVENTION

- Insolvency Act should be amended, workers should be the first to be paid
- Companies/liquidators to be compelled to secure education spaces for kids/children of workers who's company is under liquidation
- SASSA to include workers under liquidation as part of emergency social grants
- Supply of water and electricity to be guaranteed on workers residing on hostels or company accommodation.

---

---

---

---

---

---

---

### PARLIAMENT'S INTERVENTION

- Amongst top priorities for liquidators, should be to facilitate alternative employment of the workers under liquidation.
- Blacklisting of workers as the result of inability to pay debt due to liquidation should be declared a criminal offense.
- Directors or owners of liquidated mining /construction companies should be blacklisted or banned from operating another similar business within ten years of the liquidation.

---

---

---

---

---

---

---

**PARLIAMENT'S INTERVENTION**

- The DMR application processes must be monitored and guided for buyers/investors of liquidated companies
- The Master must not derelict and abandon his duties to the liquidators and ensure that creditors are consulted properly as required by the law

**END!**

---

---

---

---

---

---

---