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# MiH secures R4.5 billion from GEM; intends to acquire majority of Sable Mining



Staff Writer  • 6 days ago   Last Updated: Nov 24, 2021    0    2 minutes read



**M**agni Investment Holdings (MiH) (formerly Lurco Holdings), the investment management company with interests across a variety of sectors, today announced its intention to acquire a majority shareholding in Sable Exploration and Mining

Limited (“SEAM”), formerly Middle East Diamond Resources Limited, and its subsidiaries. SEAM has a listing on the Johannesburg Stock Exchange (“JSE”).

MiH has a diversified commodity portfolio and through this transaction it intends to enlist some of this portfolio into SEAM to enable growth, sustainable value and better returns for investors.

For purposes of implementing the reversed listing, SEAM intends undertaking a rights issue of 50 million shares at R1 per share of which approximately R20,000,000 will be underwritten by various shareholders of the Company. Magni will underwrite 10 million shares at R1 per share for a total amount of R10,000,000. It is anticipated that the rights issue will be completed first followed by the reverse listing.

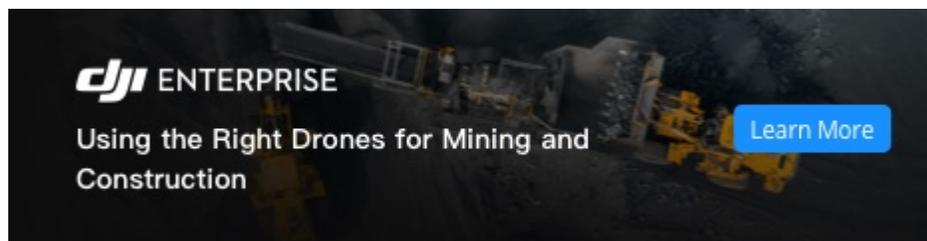
## **Transaction triggers a ZAR 4.5 billion investment commitment from GEM**

In addition to the announcement of the acquisition of SEAM, MiH is proud to announce a ZAR 4.5 billion investment commitment from GEM Global Yield LLC SCS (“GEM”), a private alternative investment group with offices in Paris, New York, and Nassau (Bahamas). Under the agreement, GEM will provide MiH with a Share Subscription Facility of up to ZAR 4.45 billion for a 36-month period following a public listing of MiH’s common stock. MiH will control the timing and maximum number of drawdowns under this facility and has no minimum drawdown obligation. In connection with the share subscription facility, on public listing, MiH /SEAM will issue warrants to GEM to purchase, for a period of five years after a public listing, up to 8.3% of the total equity interests of MiH /SEAM as of such public listing or reverse merger date at an exercise price equal to the public offering price at the time of listing or merger.

Ellington Nxumalo, co-founder of MiH says, “While the world has been in a state of flux since March 2020, what has remained a constant is the good returns informed investors

are still making from the diverse resource opportunities in Southern Africa. For MiH, this deal unlocks value and accelerates growth for us a medium sized commodity player in South Africa. ”

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The GEM facility would be implemented with the existing Lurco and Magni Assets being reverse listed into SEAM. The operations to be acquired by SEAM are cash generative and has the potential to generate cash flow in the short term.

Aubrey Chauke, co-founder of MiH concludes, “As individuals, we have always been strong advocates of the strategic role key sectors can play in the development of inclusive economies, and sustainable, empowered communities. With this in mind, we try to look beyond just the commercial ROI to ensure that capital is deployed effectively and with a cognisance of the principles of ESG. At MiH, our mandate is to invest in broadly inclusive and commercially sound businesses that drive sustainable growth and social transformation, while delivering shareholder returns. We believe that our ambitious new structure, the access to capital GEM provides, our track record of making our investments work for all stakeholders, and our subsequent acquisition of SEAM, is a clear signal to the market of the high-performance resources business we have become.”

With significant collective experience gained from fulfilling senior roles within the mining and energy, MiH’s management team understands its focus sectors, their value drivers and how to mitigate sector risks. The company’s success is underwritten by proven expertise, strong industry

networks, and a track record in optimising value creation for all.

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