



MERGER DECISION NO 26 OF 2017

DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARES IN CRADLE ARC INVESTMENTS (PTY) LTD FROM PENMIN BOTSWANA (PTY) LTD BY ALECTO MINERALS PLC AND AN ACQUISITION OF 60% SHAREHOLDING IN ALECTO MINERALS BY PENMIN BOTSWANA (PTY) LTD

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority ("the Authority") in respect of the proposed acquisition of the entire issued shares in Cradle Arc Investments (Pty) Ltd from PenMin Botswana (Pty) Ltd by Alecto Minerals PLC and an acquisition of 60% shareholding in Alecto by PenMin.

The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market in Botswana. Furthermore, there are no public interest concerns that have been identified.

Moreover, the Authority took into consideration the fact that the merging parties had submitted that PenMin Botswana (Pty) Ltd will cede its shareholding in Cradle Arc and in return will become a 60% shareholder in Alecto Minerals Plc, at a later stage:

- (i) Pursuant to the provisions of section 60 of the Competition Act, the acquisition of the entire issued shares in Cradle Arc Investments (Pty) Ltd from PenMin Botswana (Pty) Ltd by Alecto Minerals Plc is unconditionally approved; while
- (ii) The acquisition of 60% shareholding in Alecto Minerals Plc by PenMin Botswana (Pty) Ltd is approved on condition that PenMin Botswana (Pty) Ltd exercises the option to buy the shares within twelve (12) months from the date of this decision. Should the transaction be implemented after twelve (12) months from the date of the decision, the Authority would expect the transaction to be notified; and
- (iii) The parties are expected to inform the Authority of the implementation date of the 60% acquisition of Alecto Minerals Plc by PenMin Botswana (Pty)

Ltd within five business days of it becoming effective. This will allow the Authority to ascertain whether there has been any changes to the shareholding structure of PenMin and further verify that the transaction has been effected within twelve (12) months.

However, as stated under section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone, on this 13th day of June 2017.

Tebelelo Pule, Acting Chief Executive Officer, Competition Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013