



MERGER DECISION NO 41 OF 2022

MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF AN ADDITIONAL 58.7% OF THE TOTAL ISSUED SHARE CAPITAL IN KALAHARI KEY MINERAL EXPLORATION (PROPRIETARY) LIMITED BY POWER METAL RESOURCES PLC

Introduction of the Merging Parties

Pursuant to Section 53(4)(a)(ii) of the Competition Act, 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in respect of the proposed acquisition of an additional 58.7% of the total issued share capital in Kalahari Key Mineral Exploration (Proprietary) Limited ("Kalahari Mineral") by Power Metal Resources Plc ("Power Metal"). The transaction was notified to the Authority on 19th September 2022 and the merger assessment was completed on 27th October 2022.

The Acquiring Enterprise, Power Metal, is a company listed on the London Stock Exchange. The shareholders of Power Metal with over 5% shareholding are: Jarvis Investment Management Ltd, Hargreaves Lansdown Plc, and Interactive Investor Services Ltd. In Botswana, Power Metal's activities are limited to funding exploration projects in which it has acquired interest through Botswana vehicles.

The Target Enterprise, Kalahari Mineral, is a limited liability company incorporated in accordance with the Laws of the Republic of Botswana. Kalahari Mineral's majority shareholders are Roger Marcus Key (a Scottish individual), Two Shields Investments Plc, Evrima Plc (6474216) and Power Metal Resources Plc among others (all United Kingdom based companies). Kalahari Mineral is an exploration company specialising in the discovery of Nickel, Copper and Platinum Group Metals in the southern part of Botswana.

Relevant Markets

It must be noted that the Acquiring Enterprise is one of the shareholders of the Target Enterprise. The Target Enterprise is active in the mineral exploration sector, particularly the prospecting of metals with a specific focus on the exploration of Nickel, Copper and Platinum Group Metals in southern part of Botswana. Thus, the

Authority has defined the relevant market, as the market for exploration of Nickel, Copper and Platinum Group Metals in southern part of Botswana.

Competitive Analysis and Public Interest

Effectively, the transaction amounts to an internal restructuring. As such, the Authority does not expect the merger to alter the market structure of the relevant market.

Thus, the Authority has not established any substantial lessening of competition concerns arising from the merger. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified as per the provisions of section 52(2) of the Competition Act 2018.

The Determination

Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of an additional 58.7% of the total issued share capital in Kalahari Key Mineral Exploration (Proprietary) Limited by Power Metal Resources Plc.

However, as stated under Section 61 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 27th day of October 2022.

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