

MERGER DECISION NO 05 OF 2025**MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND ACQUISITION OF PORTION 1 OF FARM (CAIRNS) 110-NL GHANZI AND PORTION 2-NL OF FARM 110-NL GHANZI FROM GOWER'S FARM PROPRIETARY LIMITED BY TSHUKUDU METALS BOTSWANA PROPRIETARY LIMITED****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 relation to the proposed acquisition of Portion 1 of Farm (Cairns) 110-NL Ghanzi and Portion 2-NL of Farm 110-NL Ghanzi (the "Target Property") from Gower's Farm Proprietary Limited ("Gower's Farm" or the "Target Enterprise") by Tshukudu Metals Botswana Proprietary Limited ("Tshukudu Metals" or the "Acquiring Enterprise").

The Acquiring Enterprise, Tshukudu Metals is a company incorporated in accordance with the Laws of Botswana. Tshukudu Metals is controlled by Metal Capital Limited, a company registered in the United Kingdom. Metal Capital Limited is controlled by Sandfire Resources Botswana Proprietary Limited ("Sandfire Botswana") which is in turn owned by Sandfire Resources Limited, both of which are registered in Australia. The Acquiring Enterprise does not control any entity in Botswana.

The Target Enterprise, Gower's Farm is a company duly incorporated according to the Laws of Botswana. The Target Enterprise is wholly controlled by Gainline Proprietary Limited ("Gainline"), a company registered in Botswana.

Relevant Markets

In terms of the activities of the Merging Parties, the Acquiring Enterprise is an exploration and mining company. Tshukudu Metals owns mining and prospecting licenses and has developed Motheo Copper Mine situated around 70 kilometres from Ghanzi Botswana. The Acquiring Enterprise exports copper/silver concentrate outside of Botswana.

On the other hand, the Target Enterprise is in the business of horticulture, crop production and livestock production. For completeness, Gainline (the Target Enterprise's sole shareholder) does not have any other business interests in Botswana other than its shares in Gower's Farm. The Target Property consists of two portions of land which are currently designated as agricultural land.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed no overlap in the activities of the Merging Parties as the Acquiring Enterprise is an exploration and mining company whereas, the Target Enterprise is in the business of horticulture, crop and livestock production. The Authority, therefore, does not anticipate any substantial competition concerns to arise in the relevant market in Botswana.

The implementation of the Proposed Merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as the market share of the Target Enterprise will remain the same post-merger. The Acquiring Enterprise is purchasing the Target Property as an affected stakeholder of the mine and is not intended to be used by the Acquiring Enterprise for mining, prospecting or related purposes.

In terms of Public Interest considerations, the Authority does not foresee any detriment to public interest that will arise because of the transaction under consideration.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to change upon implementation of the proposed transaction. As such, no competition concerns will arise. Furthermore, the proposed merger will not have any negative effects on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of Portion 1 of Farm (Cairns) 110-NL Ghanzi and Portion 2-NL of Farm 110-NL Ghanzi from Gower's Farm Proprietary Limited by Tshukudu Metals Botswana Proprietary Limited.

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 25th day of February 2025.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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