



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:25/LM/Mar12

In the matter between:

Anglo Ashanti Limited

Acquiring Firm

And

First Uranium (Pty) Ltd

Target Firm

Panel	:	Yasmin Carrim (Presiding Member), Andiswa Ndoni (Tribunal Member) and Medi Mokuena (Tribunal Member)
Heard on	:	02 May 2012
Order issued on	:	02 May 2012
Reasons issued on	:	05 July 2012

Reasons for Decision

Approval

[1] On 02 May 2012 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Anglo Gold Ashanti Limited ("AGA") and First Uranium (Pty) Ltd ("FUSA"). The reasons for approval follow below.

The Transaction

- [2] The primary acquiring firm is AngloGold Ashanti Limited (“AGA”), a public company incorporated in terms of the company laws of the Republic of South Africa. AGA is not controlled by any firm. In South Africa AGA have interests in AurMar (Pty) Ltd, Eastvaal Gold Holdings Limited, Advanced Mining Software Limited, Masakhane Investment Limited, Gold of Africa Collection, Orpheo (Pty) Ltd, Vyfhoek Exploration and Mining Company Limited, Anglo Ashanti Health (Pty) Ltd, Nuclear Fuels Corporation of SA (Pty) Ltd, Rand Refinery Limited and Margaret Water Company. AGA also has shares in AGRe Insurance Company (Pty) Ltd and iGolide (Pty) Ltd. In addition AGA has an interest in a processing and uranium marketing company called Nufor International Limited (“Nufor”), a public company incorporated in terms of the company laws of United Kingdom.
- [3] The primary target firm is First Uranium (Pty) Ltd (“FUSA”), a private company incorporated in terms of the laws of the Republic of South Africa. FUSA is a wholly owned subsidiary of First Uranium Limited (“FUL”), a public company incorporated in terms of the laws of the Republic of South Africa. FUL is a wholly owned subsidiary of First Uranium Corporation (“FIUC”), a public and uranium producing company listed on the Johannesburg Securities Exchange and is not controlled by any single firm.
- [4] AGA is a mining and exploration company with twenty mining operations world-wide. Its South African Mining Operations comprise of six deep-level gold mines and one surface gold operation. Nufor is active in the processing and marketing of uranium concentrate produced by South African gold mining companies, to nuclear power generators around the world.
- [5] FUSA is a holding company of Mine Waste Solutions (“MWS”) and does not have any activities. MWS is in turn also a holding company of Chemwes (Pty) Ltd (“Chemwes”) and is not active in the market.

Chemwes is a gold and uranium tailings recovery operation located near Stilfontein in Gauteng. Chemwes currently consists of 14 tailings deposits from 3 gold uranium mines (Buffelsfontein, Stilfontein and Hartebeesfontein) which were operated in the Vaal region over a period of approximately 50 years.

The Rationale

[6] AGA seeks to increase the value of its uranium business and the acquisition of FUSA is expected to increase AGA's annual production and provide steady-state, long-term additional gold production.

The relevant market and the impact on competition

[7] The Commission found that there is a horizontal overlap with regards to the global market for the production and supply of gold and uranium. AGA has a market share between 0-5% and FUSA has a market share between 0-2%. Post-merger the merged entity will have between 5-10% in the production and supply of gold. In the market for the global production and supply of uranium, AGA has a market share of 0-5% and FUSA is presently not active in this market at this stage.

[8] The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition as the market share for the production and supply of gold and uranium remains low, a conclusion that we agree with.

CONCLUSION

[9] There are no significant public interest issues. In light of the above we accordingly approved the transaction without conditions.

Y Carrim

05 July 2012
DATE

A Ndoni and M Mokuena concurring.

Tribunal Researcher: Thabani Ngilande

For the merging parties: Edward Nathan Sonnenbergs

For the Commission: Bheki Masilela