

## **MERGER DECISION NO 45: 2021**

### **Notice in Terms of Section 53(4) (a) (ii) of the Competition Act**

#### **DECISION ON THE PROPOSED ACQUISITION OF 100% ISSUED SHARE CAPITAL IN MATSITAMA MINERALS (PTY) LTD, FROM ZCI LIMITED BY EASTPORT VENTURES BOTSWANA (PTY) LTD**

##### **Introduction of the Merging Parties**

- i. Pursuant to section 53(4)(a)(ii) of the Competition Act of 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 100% issued share capital in Matsitama Minerals (Pty) Ltd [“Matsitama Minerals”], from ZCI Limited (“ZCI”) by Eastport Ventures Botswana (Pty) Ltd [“Eastport Botswana”]. The transaction was notified to the Authority on 28<sup>th</sup> October 2021, and the merger assessment was completed on 19<sup>th</sup> November 2021.
- ii. The Acquiring Enterprise, Eastport Botswana, is a company incorporated in accordance with the Laws of the Republic of Botswana. It is a 100% subsidiary of Eastport Ventures Incorporated. Eastport Botswana, wholly controls Current Exploration Solutions (Pty) Ltd (“Current Exploration”), a Botswana registered company. Eastport Botswana and Current Exploration are both in the business of mineral exploration and currently explores the following minerals: (i) copper; (ii) nickel; (iii) diamond; and (iv) uranium.
- iii. The Target Enterprise, Matsitama Minerals, is a company incorporated under the Laws of the Republic of Botswana. It is a wholly owned subsidiary of ZCI, a company registered in Bermuda. Matsitama Minerals is in the business of mining exploration in relation to Base and Precious Metal, Uranium and Diamonds.

##### **Relevant Markets**

- iv. In terms of the relevant market, the assessment of the Proposed Transaction revealed that there is product overlap in the activities of the Merging Parties, by virtue of both the subsidiary of the Acquiring Firm and the Target Entity, are in mineral prospecting of metals.

##### **Competitive Analysis and Public Interest**

- v. The Authority’s assessment revealed that prospecting for minerals is not a commercial activity, but just land surveying for possible mineral deposits in the area. This stage ultimately informs the mining of minerals if there are of economic value; the stage within which revenue is generated. Additionally, prospecting of minerals in Botswana

is open to both local and international companies; and as such, there are many players prospecting for the minerals in Botswana. Accordingly, the Authority does not anticipate any competition concerns and public interests concerns to arise in the relevant market in Botswana post-merger.

### **The Determination**

- vi. The Authority determined through the analysis of the facts of the merger, that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest in Botswana identified, in relation to the provisions of the section 52 of the Competition Act.
- vii. Pursuant to the provision of section 53 of the Act, the Authority has decided to *unconditionally approve* the proposed acquisition of 100% issued share capital in Matsitama Minerals (Pty) Ltd, from ZCI Limited by Eastport Ventures Botswana (Pty) Ltd.

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 19<sup>th</sup> day of November 2021.

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