



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:84/LM/SEP11

In the matter between:

ANGLOGOLD ASHANTI LIMITED

Acquiring Firm

And

FIRST URANIUM CORPORATION

Target Firm

Panel : Norman Manoim (Presiding Member)
Merle Holden (Tribunal Member)
Medi Mokuena (Tribunal Member)
Heard on : 29 November 2011
Order issued on : 29 November 2011
Reasons issued on : 08 December 2011

Reasons for Decision

Approval

- 1] On 29 November 2011, the Competition Tribunal ("Tribunal") approved the large merger between AngloGold Ashanti Limited and First Uranium Corporation. We explain below our reasons for this conclusion.

The Parties to the transaction

- 2] The primary acquiring firm is AngloGold Ashanti Limited ("AGA") a company incorporated in accordance with the laws of the Republic of South Africa. AGA is a widely held company that is not controlled by any firm.

- 3] The primary target firm is First Uranium Corporation (“FIUC”), a company listed on the Johannesburg Securities Exchange and not controlled by any single entity. However, its largest shareholders are Village Main Reef Limited and Franco-Nevada GWL Holding Corporation.
- 4] In terms of the transaction, AGA will acquire sole control over FIUC through the purchase of shares equating to approximately 19.79% interest in FIUC from Village Main Reef Limited in the long term.

The Rationale

- 5] The merging parties submitted that the acquisition of FIUC is expected to increase AGA’s annual U_3O_8 production and provide steady-state, long term additional gold production.

The parties’ activities

- 6] AGA is a mining company with a number of operations worldwide which are supported by exploration activities that comprise of both greenfields and brownfields exploration.¹ It has surface and underground mining operations in South Africa, as well as other African countries, the Australasia region, the United States and South America.
- 7] AGA’s South African operations comprise six deep level gold mines and one surface gold operation.
- 8] FIUC is a Canadian resources company involved in the development and operation of gold and uranium projects in South Africa.

The relevant market and the impact on competition

- 9] The Commission found that there is an overlap in the activities of the merging parties in the market for the production and supply of gold and the market for the production and supply of uranium, as both AGA and FIUC produce and supply gold and uranium. The Commission also submitted that the relevant geographic

¹ Exploration is termed either greenfields or brownfields depending on the extent to which previous exploration has been conducted on the tenements in question. “Greenfields” refers to unspoilt field whilst “brownfields” refers to that which has been trodden on repeatedly. See page 8 of the Commission’s report.

market is global as there are substantial global trade flows and the product is priced on a global basis. However, with a post-merger market share of 5.078% and 1.017% in the markets for the production and supply of gold and uranium respectively, the Commission submitted that the transaction.

CONCLUSION

10] The parties submitted that the proposed transaction will not result in employment losses. The proposed transaction does not raise any other public interest issues.

11] We agree with the Commission's conclusion above and find that the merger is unlikely to lead to any substantial prevention or lessening of competition in the relevant markets. Accordingly, we approve the above merger unconditionally.

NORMAN MANOIM

08 December 2011
DATE

Medi Mokuena and Merle Holden

Tribunal Researcher: Tebogo Hlafane

For the merging parties: Edward Nathan Sonnenbergs Attorneys

For the Commission: Bheki Masilela