

## Media Statement

### DETERMINATION ON THE ACQUISITION OF ROSSING URANIUM LIMITED (“RUL”) by CHINA NATIONAL URANIUM CORPORATION (“CNUC”)

June 2019



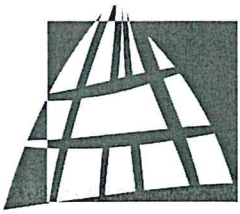
The Commission approved the acquisition of Rossing Uranium Limited (RUL) by China National Uranium Corporation (CNUC) with conditions whereby CNUC intends to acquire the entire issued share capital of Rio Tinto Overseas Holding Limited (RTNH) thereby gaining control over Rossing Uranium Limited.

RUL is involved in mining uranium-bearing rock and processing this ore into uranium oxide for the world’s nuclear energy market, which fuels the generation of electricity.

CNUC and its parent company is active globally in various businesses, including Nuclear Power Generation; Nuclear Power Plant construction; Nuclear Fuel Manufacturing; Nuclear Technology; Uranium Mining and Renewable energy.

**Commissioners:** Mr Peter Carlson (Chairperson), Ms Grace Mohamed (Deputy Chairperson), Mr Linus //Garoeb, Ms Petronella Masabane and Ms Malverene Theron

**EX Officio:** Mr. Vitalis Ndalikokule (CEO & Secretary to the Commission)



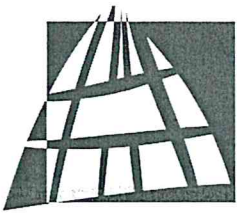
The Commission found that the proposed transaction is unlikely to result in the prevention or substantial lessening of competition or in any undertaking acquiring or strengthening a dominant position in the relevant market. However, the Commission found that the proposed merger does give rise to significant public interest concerns such as employment, the bundling of tenders for outsourced services, goods, and/or products, transfer pricing and dominance of the local uranium sector. In order to safeguard employment, local procurement and maintain benefits currently derived in terms of taxes and royalties, the Commission imposed the following conditions:

- There shall be no Merger Specific Retrenchments of employees of RUL for a period of 2 (two) years;
- RUL shall maintain a ratio of at least 95% (ninety five percent) local employees to foreign employees until the expiry of the lifespan of the mine;
- RUL shall maintain a ratio of at least 95% (ninety five percent) local employees to foreign employees, at the level of Management until the expiry of the lifespan of the mine;
- RUL shall not employ any non-Namibian person at the level of Management on any basis other than on a two-year fixed term contract;
- RUL shall not implement any changes to its 30 July 2013 Procurement Policy which will have the effect of providing for less favourable terms to local suppliers until the expiry of the lifespan of the mine;
- To benefit local Namibian SMEs for procurement of any services, goods or products below a value of N\$250 000:

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- *RUL shall procure a minimum of 80% (eighty percent) of any such services, goods or products from companies which:*
  - *are majority Namibian owned and registered; and*
  - *employ a minimum of 75% Namibian citizens*
- RUL shall conduct all transactions with a Connected Person in accordance with the arm's-length principle and furthermore in accordance with Section 95A of the Income Tax Act No 24 of 1981;
- Any member of the Acquiring Group which is desirous of acquiring a controlling interest in a company which is the holder of an exclusive prospecting licence or mining licence (target undertaking) ("Proposed Transaction"), and the Proposed Transaction's thresholds falls below the thresholds provided for in Government Notice 307 of 21 December 2015, published under the Competition Act no.2 of 2003, shall notify the Commission of the Proposed Transaction before the implementation thereof.

For further queries kindly contact:

**Ms Dina Gowases**

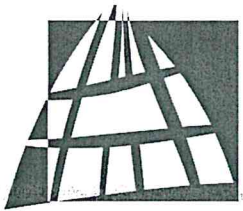
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Issued by:



Date:

26/06/2019

**Mr Vitalis Ndalikokule**

**Chief Executive Officer & Secretary to the Commission**

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**EX Officio:** Mr. Vitalis Ndalikokule (CEO & Secretary to the Commission)

**All official correspondence must be addressed to the Secretary to the Commission**