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Common Market for Eastern
and Southern Africa

Case File No. CCC/MER/12/43/2018

Decision¹ of the Fifty-Sixth (56th) Committee Responsible for Initial Determination Regarding the Regarding the Proposed Merger Involving Barrick Gold Corporation and Randgold Resources Limited

ECONOMIC SECTOR: Mining

3rd May 2019

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Information and Relevant Background

1. On 17th December 2018, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of a merger involving Barrick Gold Corporation (“**Barrick**”) and Randgold Resources Limited (“**Randgold**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed notification thresholds. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

Barrick (the Acquiring Undertaking)

4. Barrick is a company incorporated in Canada and listed on the New York and Toronto Stock Exchanges. Barrick is engaged in gold and copper mining and other mining related activities such as exploration and mine development. Barrick also produces silver as a by-product of its gold production. In Africa, Barrick’s operations include copper mining in Zambia, gold mining in Tanzania and mineral exploration properties in Kenya.
5. Barrick has operations in the following COMESA Member States: Kenya, the Democratic Republic of Congo and Zambia.

Randgold (the Target Undertaking)

6. Randgold is a public company incorporated in Jersey, Channel Islands. Randgold’s shares are listed on the London Stock Exchange and its American Depository Receipts are listed on NASDAQ. Randgold is active in gold mining with operations in Côte d’Ivoire, Democratic Republic of Congo, Mali and Senegal.
7. In the Common Market Randgold has operations only in the Democratic Republic of Congo.

Nature of the Transaction

8. The transaction entails that Barrick will acquire the entire issued, and to be issued, share capital of Randgold.

Competition Analysis

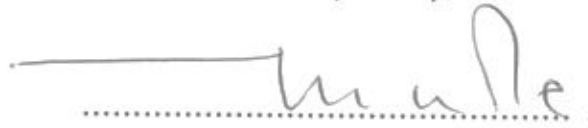
9. The CID defined the relevant markets as the production and supply of gold and Silver globally. The CID observed that the proposed transaction will result in horizontal overlap in the markets for the production of gold and silver. The CID however concluded that competition will still

prevail in the relevant market for the production and supply of gold and silver since the producers are price takers and are not able to influence prices which are set by the London Bullish Market Association. The CID further observed that competition concerns are unlikely to result from the transaction because the market is characterised by several competing producers.

Determination

10. The CID determined that the merger is not likely to substantially lessen and prevent competition in the Common Market and/or negatively affect trade between Member States. The CID therefore approved the transaction.
11. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 3rd day of May, 2019



Commissioner Patrick Okilangole (Chairperson)



Commissioner Brian Lingela
(Member)



Commissioner Thembelihle Dube Nee Dlamini
(Member)