



**NZURI**  
COPPER LIMITED

An emerging copper and cobalt company

ACN 106 294 106

## NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Wednesday, 22 November 2017 at 3pm (WST)**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6424 8100*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# NZURI COPPER LIMITED

ACN 106 294 106

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Nzuri Copper Limited (**Company**) will be held at the offices at BDO, 38 Station Street, Subiaco, Western Australia at 3pm (WST) on Wednesday, 22 November 2017 (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 20 November 2017 at 3pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this

Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 - Re-election of Director - Dr Peter Ruxton**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That Mr Peter Ruxton, who retires in accordance with Rule 3.6(a) of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."*

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### **4. Resolution 3 - Election of Director - Mr Adam Smits**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That Mr Adam Smits, who retires in accordance with Rule 3.3 of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."*

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### **5. Resolution 4 - Ratification of issue of Consultant Options**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 500,000 Options to the Company's DRC-based consultant (or the consultant's nominee) on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### **6. Resolution 5 - Ratification of issue of Placement Shares**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,733,922 Shares at \$0.227 per Share on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **7. Resolution 6 - Approval of 10% Placement Facility**

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **BY ORDER OF THE BOARD**

Anthony Begovich  
Company Secretary & Chief Financial Officer

Dated: 17 October 2017

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# NZURI COPPER LIMITED

ACN 106 294 106

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Wednesday, 22 November 2017 at 3pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Remuneration Report
Section 0:	Resolution 2 - Re-Election of Director - Dr Peter Ruxton
Section 6:	Resolution 3 - Election of Director - Mr Adam Smits
Section 7:	Resolution 4 - Ratification of issue of Consultant Options
Section 8:	Resolution 5 - Ratification of issue of Placement Shares
Section 9:	Resolution 6 - Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Options

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend

in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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### **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.asx.com.au](http://www.asx.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2016 annual general meeting. If the Remuneration Report receives a Strike at this Meeting (2017 annual general meeting), Shareholders should be aware that if a second Strike is received at the 2018 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 5. Resolution 2 - Re-Election of Director - Dr Peter Ruxton

Listing Rule 14.4 and Rule 3.6(a) of the Constitution require that one third of the Directors (excluding the Managing Director, and any Directors retiring in accordance with Rule 3.3) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third).

Rule 3.6(a) of the Constitution provides that a Director who retires in accordance with that rule is eligible for re-election.

The Company currently has 3 Directors. One of these Directors, Mr Adam Smits is retiring in accordance with Rule 3.3 of the Constitution (see Resolution 3). Rule 3.7 of the Constitution provides that the Directors who retire under Rule 3.6 are those who have held office the longest since last being elected or appointed.

Dr Peter Ruxton was last elected at the 2015 Annual General Meeting and has held office the longest since last being elected. Accordingly, Dr Ruxton will retire by rotation at this Meeting and, being eligible, will seek re-election.

Dr Ruxton is co-founder of Tembo Capital Mining Fund LP. Dr Ruxton has a strong technical background having spent 35 years in the mining industry, including 15 years as an Exploration Geologist in Australasia with Billiton and Ross Mining. In 2000, he joined CDC Capital Partners, later transitioning into Actis, where he became a Partner in 2006, working in mining finance in Africa and Emerging Markets.

Dr Ruxton has held a number of Directorships with numerous private, ASX, TSX.V, AIM, JSE, OTCBB and AMEX listed companies. He has served on the boards of two DRC focused exploration and mining companies in recent years.

Dr Ruxton trained as a Geologist at the University of Leeds, UK where he obtained a BSc in Geological Sciences and a PhD in Economic Geology, before going on to complete his MBA at the Universities of Manchester and Bangor. Peter's PhD thesis focused on sedimentary copper deposits in Namibia and Botswana.

Dr Ruxton is a Professional Member of the Institute of Mining, Metallurgy and Materials and is a Fellow of both the Geological Society of London and the Society of Economic Geologists.

Despite the fact that Dr Ruxton represents Tembo Capital Mining Fund LP, a substantial beneficial shareholder of the Company, the Board considers him to be independent as he is able, and does make, quality and independent judgments in the best interests of the Company on all relevant issues before the Board.

The Board (excluding Dr Ruxton) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.



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## **6. Resolution 3 - Election of Director - Mr Adam Smits**

Rule 3.3 of the Constitution gives the Directors authority to appoint other Directors.

Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Mr Adam Smits was appointed as a Director on 14 November 2016. Mr Smits did not retire and seek re-election at the 2016 Annual General Meeting as the notice for that meeting had been dispatched some weeks earlier, with the meeting held on 25 November 2016.

Accordingly, Mr Smits resigns as a Director at this Annual General Meeting and being eligible seeks approval to be elected as a Director.

Mr Smits is a mechanical engineer with a successful 20 year career across Australia and for the past 10 years in francophone West Africa where he has held a variety of project development and operational roles, most recently guiding the Sissingue project in Côte d'Ivoire (owned by Perseus Mining Ltd) to construction commencement.

An experienced and successful project director, Mr Smits led the successful DFS through to development of TiZir Ltd's US\$650M Grand Côte mineral sands project and played a pivotal role in Mineral Deposits Ltd's US\$330M Sabodala Gold Mine (now owned by Teranga Gold Corporation). Mr Smits has also held roles with Placer Dome Asia Pacific and Lycopodium Engineering.

As Mr Smits is an Executive Director, he is not considered to be independent.

The Board (excluding Mr Smits) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

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## **7. Resolution 4 - Ratification of issue of Consultant Options**

### **7.1 Background**

On 14 September 2017, the Company announced that it had agreed to issue 500,000 Options to a consultant of the Company in consideration for services provided and to be provided. The consultant provides assistance to the Company in the Democratic Republic of the Congo.

In the Company's present circumstances, the Board considers that the incentive to the consultant that is represented by the issue of the Options, are a cost effective and efficient reward for the Company to make to appropriately incentivise the consultant and are consistent with the strategic goals and targets of the Company.

The terms and conditions of the Options are in Schedule 2.

## **7.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Options were issued in accordance with Listing Rule 7.1

## **7.3 Listing Rule 7.4**

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **7.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Options:

- (a) a total of 500,000 Options were issued;
- (b) the Options were issued in consideration of services provided and to be provided and therefore had an issue price of nil;
- (c) the Options were issued with an exercise price of \$0.1996 each on or before 6 September 2027, and otherwise on the terms and conditions in Schedule 2;
- (d) the Options were issued to a consultant to the Company who provides it with services in the Democratic Republic of the Congo;
- (e) the Options were issued in consideration of services provided and to be provided and therefore no funds were raised from the issue; and
- (f) a voting exclusion statement is included in the Notice.

## **7.5 Board recommendations**

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

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## **8. Resolution 5 - Ratification of issue of Placement Shares**

### **8.1 Background**

On 22 March 2017, the Company announced that it had agreed to issue 21,733,922 Shares at \$0.227 per Share to strategic investors (**Placement**). The issue of the Placement Shares raised approximately \$4,933,600 (before costs). Pursuant to the Placement, 1,733,922 Shares were issued pursuant to Listing Rule 7.1 without Shareholder approval (**Placement Shares**).

### **8.2 Listing Rules 7.1 and 7.4**

A summary of Listing Rule 7.1 is contained in Section 7.2 above.

A summary of Listing Rule 7.4 is contained in Section 7.3 above.

The effect of Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **8.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 1,733,922 Placement Shares were issued;
- (b) the Placement Shares were issued at \$0.227 per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to sophisticated or professional investors, none of whom are a related party of the Company;
- (e) the proceeds from the issue of the Placement Shares are to be used to fund the completion of the feasibility study for the Kalongwe Project together with carrying out any early project development, undertaking exploration pursuant to the Company's earn-in agreement with Ivanhoe Mines Ltd, as well as general working capital; and
- (f) a voting exclusion statement is included in the Notice.

### **8.4 Board recommendations**

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

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## **9. Resolution 6 - Approval of 10% Placement Facility**

### **9.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 6.

### **9.2 Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, Shares.

#### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) - E**

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (B) plus the number of partly paid shares that became fully paid in the 12 months;
  - (C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
  - (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c)).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph 9.2(e)(i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

**9.3 Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**9.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) **Minimum issue price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph 9.4(a)(i) above, the date on which the Equity Securities are issued.

If the Equity Securities are issued for non-cash consideration, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows:

- (i) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice;
- (ii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2*		Dilution		
		\$0.088 50% decrease in Issue Price	\$0.175 Issue Price	\$0.350 100% increase in Issue Price
Current Variable A 230,299,520 Shares	10% Voting Dilution	23,029,952 Shares	23,029,952 Shares	23,029,952 Shares
	Funds raised	\$2,015,121	\$4,030,242	\$8,060,483
50% increase in current Variable A 345,449,280 Shares	10% Voting Dilution	34,544,928 Shares	34,544,928 Shares	34,544,928 Shares
	Funds raised	\$3,022,681	\$6,045,362	\$12,090,725
100% increase in current Variable A 460,599,040 Shares	10% Voting Dilution	46,059,904 Shares	46,059,904 Shares	46,059,904 Shares
	Funds raised	\$4,030,242	\$8,060,483	\$16,120,966

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.175 being the closing price of the Shares on ASX on 16 October 2017.

**(c) Final date for issue**

The Company will only issue the Equity Securities during the 10% Placement Period.

**(d) Purposes of issues under 10% Placement Facility**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resources assets or investments (including expenses associated with such acquisition such due diligence costs and external advisors) and continued exploration on the Company's current projects and working capital requirements.



(e) **Disclosure obligations**

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(f) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(g) **Issues in the past 12 months**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

(h) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 9.1.

**10% Placement Period** has the meaning given in Section 9.2(f).

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2017.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Change in Control Event** has the meaning given to that term in the Company's employee share option plan approved by Shareholders at the general meeting held on 30 June 2016.

**Chairman** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Nzuri Copper Limited (ACN 106 294 106).

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Holder** means a holder of an Option.

**Incentive Option** means an Option proposed to be issued pursuant to Resolution 4.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Placement** has the meaning given in Section 8.1.

**Placement Shares** has the meaning given in Section 8.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Rule** means a rule of the Constitution.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 - Terms and conditions of Consultant Options

### 1. Entitlement

Each Option entitles the holder of the Option (**Holder**) to subscribe for one Share upon exercise.

### 2. Exercise Price and Expiry Date

- (a) The exercise price of each Option is \$0.1996 (**Exercise Price**).
- (b) The expiry date of each Option (**Expiry Date**) is the earlier to occur of:
  - (i) ten years after the date of issue; and
  - (ii) the Options lapsing and being forfeited under these terms and conditions.

### 3. Vesting Conditions

- (a) Subject to these terms and conditions, the Options will vest on each of the following vesting dates, subject to the Holder remaining engaged by the Company at all times between the date of issue of the Options and the vesting date and the achievement of certain performance criteria determined by the Company:
  - (i) 1,666,666 of the Options will vest upon 12 months after the date the Company accepted the Holders application for the Options (**Acceptance Date**);
  - (ii) 1,666,666 of the Options will vest upon 24 months after the Acceptance Date; and
  - (iii) 1,666,667 of the Options will vest upon 36 months after the Acceptance Date;
- (b) The satisfaction of whether the performance criteria have been satisfied is at the discretion of the Board, acting reasonably. The Options will vest when a vesting notice in respect of that Option is given to the Holder by the Company.
- (c) Notwithstanding the above, all of the Options will immediately vest upon a Change in Control Event, except for a Change in Control Event which concerns the acquisition of a relevant interest in Issued Capital by Tembo Capital Mining Fund LP or Ndovu Capital VI B.V or any of their associates.

### 4. Termination

If for any reason the Holder's engagement with the Company ceases:

- (a) all unvested Options will automatically lapse and be forfeited, unless the Board otherwise determines in its discretion to permit some or all of the unvested Options to vest; and

- (b) all vested Options which remain unexercised will automatically lapse and be forfeited, unless the Board otherwise determines at its discretion to permit some or all of the vested Options to remain exercisable.

## 5. Exercise Period

Subject to these terms and conditions, each vested Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

## 6. Exercise Notice and payment of Exercise Price

- (a) The Options may be exercised during the Exercise Period by delivery of a written Notice of Exercise to the Company and payment (by cash, cheque, Share transfers, or any other legal means accepted by the Company) of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (b) The Holder may apply to the Board to pay the Exercise Price for an Option by using the cashless exercise facility detailed below (**Cashless Exercise Facility**).
- (c) If the Board approves the Holder's application to use the Cashless Exercise Facility, the Holder will only be issued that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Options being exercised and the then market value of the Shares at the date of exercise (**Market Value**), calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

- S = number of Shares to be issued on exercise of the Options
- O = number of Options
- MSP = market value of the shares calculated using the volume weighted average market price for Shares calculated over the last 5 days on which sales in the Shares were recorded immediately preceding the date of exercise
- EP = Exercise Price

- (d) If the difference between the total Exercise Price otherwise payable for the Options being exercised and then the Market Value of the Shares at the time of exercise is negative or zero, then the Holder will not be entitled to use the Cashless Exercise Facility.

## 7. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

## **8. Timing of issue of Shares and quotation of Shares on exercise**

- (a) Within 15 trading days after the later of the following:
- (i) the valid exercise of an Option by the Holder in accordance with these terms and conditions; and
  - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) issue the Shares pursuant to the exercise of the Options;
  - (iv) subject to clause 8(b) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act;
  - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options; and
  - (vi) issue a substitute Certificate for any remaining unexercised Options held by the Holder.
- (b) If the Company is unable to satisfy the requirement in section 708A(5)(b) of the Corporations Act within the time period specified in clause 9(a), from the date of issue of the Shares until the earlier of:
- (i) 12 months after the date of issue; or
  - (ii) the date a disclosure document is lodged by the Company which complies with 'case 2' of section 708A(11) of the Corporations Act in respect of Shares issued prior to the date of the disclosure document, including the Shares,

the Holder may only transfer the Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.

- (c) If the Company is unable to satisfy the requirement in section 708A(5)(b) of the Corporations Act within the time period specified in clause 9(a), and the Company issues a disclosure document within 12 months of the issue of any Shares pursuant to the exercise of the Options, it must include in that disclosure document such disclosures necessary to comply with the criteria in 'case 2' of section 708A of the Corporations Act in respect of any such Shares previously issued.

## **9. Adjustments for reorganisation**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the Holder, as a holder of Options, will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

**10. Bonus Issue**

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Holder, as a holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Options are exercised.
- (b) Additional Shares to which the Holder, as a holder of Options, becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Options are exercised for the purposes of subsequent applications of paragraph (a), and any adjustments which, after the time just mentioned, are made under this paragraph 10 to the number of Shares will also be made to the additional Shares.

**11. Rights issue**

Unless otherwise determined by the Board, the Holder as a holder of Options does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

**12. No other participation**

Subject to paragraphs 9 to 11 (inclusive), during the currency of any Options and prior to their exercise, the holders of Options are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Options.

**13. Quotation of Options**

No application for quotation of the Options will be made by the Company.

**14. Options not transferable**

Options are not transferable unless they have vested and only with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

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**ONLINE VOTE**

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**MOBILE DEVICE VOTE**

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.



**VOTING/PROXY FORM**

I/We being shareholder(s) of Nzuri Copper Limited and entitled to attend and vote hereby:

**APPOINT A PROXY**

The Chairman  
of the meeting

**OR**



**PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

**STEP 1**

If no individual(s) or body corporate(s) is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **the offices of BDO, 38 Station Street, Subiaco, Western Australia on Wednesday, 22 November 2017 at 3pm (WST)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. The Chairman of the Meeting intends to vote all undirected proxies available to him in favour of each Item of Business.

**VOTING DIRECTIONS**

**Agenda Items**

		For	Against	Abstain*		For	Against	Abstain*		
<b>STEP 2</b>	1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	Ratification of issue of Consultant Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Re-election of Director – Dr Peter Ruxton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	Ratification of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	Election of Director – Mr Adam Smits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

**STEP 3**

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

Your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

### DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chairman to vote as they see fit on that item.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 3.00pm (WST) on Monday, 20 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033