



NZURI
COPPER LIMITED

An emerging copper and cobalt company

ACN 106 294 106

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Friday, 13 July 2018 at 1:00pm (WST)

The Notice of 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 completing and returning the proxy form attached to the Notice in accordance with the specified instructions

NZURI COPPER LIMITED

ACN 106 294 106

NOTICE OF GENERAL MEETING

Notice is hereby given that the General meeting of Shareholders of Nzuri Copper Limited (**Company**) will be held at the offices at BDO, 38 Station Street, Subiaco, Western Australia at 1:00pm (WST) on Friday, 13 July 2018 (**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 Wednesday, 11 July 2018 at 1:00pm (WST).

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

AGENDA

1. Resolution 1 - 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 12,026,380 Shares at \$0.255 per Share on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons)

However, the Company need 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.

2. Resolution 2 - Approval of issue of Loan Conversion 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 10.11 and for all other purposes, Shareholders approve the issue of 11,503,031 Shares at \$0.255 per Share to Ndovu Capital VI B.V. on conversion of the A\$2,933,273 loan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ndovu Capital VI B.V. or an associate of Ndovu Capital VI B.V.

However, the Company need 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.

3. Resolution 3 - Approval of issue of Incentive Options to Executive Directors

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

“That for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the issue of Incentive Options to the Executive Directors (or their nominees) as follows:

- (a) 701,880 Incentive Options to Mr Mark Arnesen or his nominees; and
- (b) 701,880 Incentive Options to Mr Adam Smits or his nominees.

Voting Exclusion

The Company will disregard any votes cast in favour of:

- (a) Resolution 3(a) by or on behalf of Mr Mark Arnesen or his nominees or any of their respective associates; and
- (b) Resolution 3(b) by or on behalf of Mr Adam Smits or his nominees or any of their respective associates.

However, the Company need 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.

Voting Prohibitions

In accordance with section 224 of the Corporations Act, a vote on Resolution 3(a) or (b) must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chairman is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chairman will only be able to cast a vote as proxy for a person who is entitled to vote if the Chairman is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3(a) or (b) if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even though the relevant Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD


Anthony Begovich
Company Secretary & Chief Financial Officer

Dated: 7 June 2018

NZURI COPPER LIMITED

ACN 106 294 106

EXPLANATORY MEMORANDUM

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 Friday, 13 July 2018 at 1:00pm (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:	Resolution 1 - Ratification of issue of Placement Shares
Section 4:	Resolution 2 - Approval of issue of Loan Conversion Shares
Section 5:	Resolution 3 - Approval of issue of Incentive Options to Executive Directors
Schedule 1:	Definitions
Schedule 2:	Terms and conditions of Incentive Options
Schedule 3:	Black & Scholes Option Valuation

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

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, complete 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 completing and returning Proxy Forms.

3. Resolution 1 - Ratification of issue of Placement Shares

3.1 Background

On 30 May 2018, the Company announced that it was undertaking a capital raising to raise A\$6,000,000 (before costs) by the issue of 23,529,412 Shares at an issue price of \$0.255 per Share.

The capital raising is to be undertaken in the following tranches:

- (a) tranche 1: a placement raising A\$3,066,727 by the issue of 12,026,380 Shares (**Placement Shares**); and
- (b) tranche 2: an interest-free loan in the amount of A\$2,933,273 (**Loan**), convertible into 11,503,031 Shares (**Loan Conversion Shares**) upon the receipt of prior Shareholder approval (the subject of Resolution 2).

Tranche 1 of the capital raising was completed, and the Placement Shares were issued, with 8,552,691 Shares issued on 6 June 2018 and the remaining 3,473,689 Shares issued on 7 June 2018. The Placement Shares were issued pursuant to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Placement Shares.

The Company received the Loan on 1 June 2018. Conversion of the Loan and issuance of the Loan Conversion Shares is due to occur within two business days of the receipt of Shareholder approval.

Resolution 2 seeks Shareholder approval for the issue of the Loan Conversion Shares.

3.2 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 Placement Shares were issued in accordance with Listing Rule 7.1.

3.3 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 1 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.

3.4 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 Placement Shares:

- (a) A total of 23,529,412 Placement Shares were issued over 6 and 7 June 2018.
- (b) The Placement Shares were issued at \$0.255 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 as follows:
 - (i) 3,473,689 Placement Shares were issued to Huayou HK or its nominees; and
 - (ii) 8,552,691 Placement Shares were issued to sophisticated or professional investors who are not related parties of the Company, and who are clients of the lead manager to the placement, Canaccord Genuity (Australia) Pty Ltd.
- (e) The proceeds from the issue of the Placement Shares are intended to be allocated towards:
 - (i) Ongoing optimisation and early-stage development work including Front-End Engineering and Design (FEED) for the Stage 1 Kalongwe Project;
 - (ii) SX-EW testwork program and studies to support the future Stage 2 expansion;
 - (iii) The Company's ongoing multi-pronged exploration campaign.
 - (iv) costs of the capital raising; and
 - (v) working capital.
- (f) A voting exclusion statement is included in the Notice.

3.5 Additional information

The Board recommends that Shareholders vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

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

4. Resolution 2 - Approval to issue Loan Conversion Shares

4.1 General

Resolution 2 seeks Shareholder approval for the issue of the Loan Conversion Shares. Refer to Section 3.1 for the background to the proposed issue of the Loan Conversion Shares.

4.2 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

Ndovu is the Company's largest shareholder. Prior to the issue of the Placement Shares, Ndovu held a voting power in the Company of 48.89%. As a result of the issue of the Placement Shares, Ndovu's voting power was diluted to 46.80%. On conversion of the Loan by the issue of the Loan Conversion Shares, Ndovu's voting power will return to 48.89% (assuming no other Shares are issued).

One of the Directors of the Company, Dr Peter Ruxton, is a principal of Tembo Capital, an associate of Ndovu. Mr Ean Alexander is also a representative of Tembo.

Due to the significant voting power of Ndovu and its associates, and the composition of the Board, ASX considers that the relationship between the Company and Ndovu and its associates is such that prior Shareholder approval for the issue of any Equity Securities to Ndovu and its associates should be obtained, unless an exception in Listing Rule 10.12 applies.

Accordingly, the Company is seeking Shareholder approval for the issue of Shares to Tembo (or its nominees) on conversion of the Convertible Loan.

As approval is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1 for the issue of the Loan Conversion Shares.

4.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Loan Conversion Shares:

- (a) The Loan Conversion Shares will be issued to Ndovu.
- (b) 11,503,031 Shares are to be issued as Loan Conversion Shares.

- (c) The Loan Conversion Shares will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is intended that the Loan Conversion Shares will be issued as soon as practicable after the Meeting.
- (d) The relationship between the Company and Ndovu requires, in ASX's opinion, the Company to seek approval of its Shareholders for Resolution 2 for the reasons stated in Section 4.2.
- (e) The issue price of the Loan Conversion Shares will be a deemed issue price of \$0.255 per Share, on conversion of the Loan.
- (f) The Loan Conversion Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (g) The proceeds from the Loan are intended to be allocated towards:
 - (i) SX-EW testwork program and studies;
 - (ii) overall Kalongwe Cu-Co Project optimization and early stage development activities;
 - (iii) the Company's 2018 exploration program for the Kalongwe Cu-Co Project and the FTBJV Project;
 - (iv) costs of the capital raising; and
 - (v) working capital.
- (h) A voting exclusion statement is included in the Notice.

4.4 Additional information

The Board 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.

5. Resolution 3 - Approval of issue of Incentive Options to Executive Directors

5.1 General

The Board (excluding Mr Arnesen and Mr Smits) has resolved, subject to obtaining Shareholder approval, to issue a total of 1,403,760 Incentive Options under the Company's Employee Share Option Plan (**Plan**) in the amounts and to the Executive Directors (or their nominees) as follows:

- (a) Mark Arnesen: 701,880
- (b) Adam Smits: 701,880

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Executive Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Incentive Options are to be issued under the terms of the Plan, which are summarised in the Company's notice of general meeting announced on ASX on 30 May 2016.

Subject to the terms and conditions in Schedule 2, a third of the Incentive Options will vest on each of the following vesting dates:

- (a) 12 months after the 29 March 2018 (Tranche 1);
- (b) 24 months after the 29 March 2018 (Tranche 2);
- (c) 36 months after the 29 March 2018 (Tranche 3);

Resolutions 3(a) and (b) seek Shareholder approval for the issue of the Incentive Options under the Plan to Mr Arnesen and Mr Smits (or their respective nominees). Shareholder approval is required under Listing Rule 10.14 where an entity issues, or agrees to issue, securities to a director (or associate of a director) under an employee incentive scheme.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

5.2 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Options constitutes giving a financial benefit and Messrs Arnesen and Smits are related parties of the Company by virtue of being Directors.

The Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Incentive Options proposed to be issued to the Executive Directors pursuant to Resolutions 3(a) and (b).

5.3 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below.

(a) **Identity of the related parties to whom Resolutions 3(a) and (b) permit financial benefits to be given**

The Incentive Options will be issued to Messrs Arnesen and Smits or their respective nominees.

(b) **Nature of the financial benefit**

Resolutions 3(a) and (b) seek approval from Shareholders to allow the Company to issue the Incentive Options in the amounts specified in Section 5.1 above to the Executive Directors or their nominees. The Incentive Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Incentive Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Incentive Options is in Schedule 3, with a summary for each Director below:

Director	Value of Incentive Options			
	Tranche 1	Tranche 2	Tranche 3	TOTAL
Mark Arnesen	\$73,853	\$73,853	\$73,853	\$221,559
Adam Smits	\$73,853	\$73,853	\$73,853	\$221,559

(d) **Dilution**

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders holdings if the Incentive Options vest and are exercised. The potential dilution effect is summarised below:

Options	Dilutionary effect
Tranche 1	0.2%
Tranche 2	0.2%
Tranche 3	0.2%

The above table assumes the current share capital structure as at the date of this Notice (being 7 June 2018) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(e) **Remuneration of Executive Directors**

The total annual remuneration arrangements current for each of the Executive Directors as at the date of this Notice are set out below:

Director	Salary and fees (exclusive of superannuation)
Mark Arnesen	\$240,000
Adam Smits	\$240,000

Notes:

1. On 25 November 2016, Mr Arnesen was issued with 2,000,000 Options exercisable at \$0.2055 each (on a post-Consolidation basis) on or before 21 September 2026 as partial remuneration.
2. On 30 November 2016, Mr Smits was issued with 2,000,000 Options exercisable at \$0.2130 each on or before 14 November 2026 (on a post-Consolidation basis) as partial remuneration.

(f) **Existing relevant interests**

At the date of this Notice, the Executive Directors hold the following relevant interests in Equity Securities of the Company:

Executive Director	Relevant interests in Equity Securities of the Company	
	Shares	Options
Mark Arnesen	5,330,984	2,000,000 ¹
Adam Smits	54,000	2,000,000 ²

Notes:

1. Exercisable at \$0.2055 each on or before 21 September 2026.
2. Exercisable at \$0.2130 each on or before 14 November 2026.

Assuming that:

- (i) Resolutions 3(a) and (b) are approved by Shareholders;
- (ii) all of the Incentive Options are issued;
- (iii) each of the Executive Directors exercise all of the Incentive Options to be granted pursuant to Resolutions 3(a) and (b) respectively; and
- (iv) no other Equity Securities are issued or exercised,

the respective interests of the Executive Directors in the Company would be as follows:

- (v) Mr Arnesen's interest would represent approximately 2.7% of the Company's expanded capital; and
- (vi) Mr Smits' interest would represent approximately 0.9% of the Company's expanded capital.

(g) Trading history

The trading history of the Shares on ASX over the 12 months before the date of this Notice is summarised below:

	Price	Date
Highest	\$0.48	11/1/2018
Lowest	\$0.15	4/10/2017
Last ¹	\$0.25	6/6/2018

(h) Corporate governance

Messrs Arnesen and Smits are executive directors of the Company and therefore the Board believes that the grant of the Incentive Options is in line with Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

(i) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Incentive Options (including fringe benefits tax).

(j) Director recommendations

The Directors, other than Messrs Arnesen and Smits who decline to make a recommendation to Shareholders in relation to Resolutions 3(a) and (b) due to their personal interest in the outcome of the Resolutions, recommend that Shareholders vote in favour of Resolutions 3(a) and 6(b) for the following reasons:

- (i) through the leadership of Messrs Arnesen and Smits, they have overseen the development of the Company throughout a period of growth and advancement over the last 12 months
- (ii) accordingly, the grant of the Incentive Options is a reasonable benefit to recognise the past performance by Messrs Arnesen and Smits;

¹ As at 6 June 2018, being the latest practicable date before the date of this Notice.

- (iii) if all the Incentive Options vest and are exercised, based on the exercise price of \$0.3395, the Company will receive \$476,576 (assuming the cashless exercise facility is not used);
- (iv) the grant of the Incentive Options will further align the interests of Messrs Arnesen and Smits with those of Shareholders to increase shareholder value;
- (v) the issue of the Incentive Options provides Messrs Arnesen and Smits with incentives to focus on superior performance in creating shareholder value;
- (vi) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Arnesen and Smits; and
- (vii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3(a) and (b).

5.4 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Resolutions 3(a) and (b) are being put to Shareholders to seek approval for the issue of the Incentive Options to the Executive Directors pursuant to Listing Rule 10.14.

5.5 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options to the Executive Directors:

- (a) The Incentive Options are to be issued to Mark Arnesen and Adam Smits or their respective nominees).
- (b) The maximum number of Incentive Options to be issued to the Executive Directors (or their respective nominees) is 1,403,760 as set out in Section 5.1 above.

- (c) The Incentive Options are being issued to the Executive Directors under the Plan for nil cash consideration and otherwise on the terms and conditions set out in Schedule 2.
- (d) The names of all persons referred to in Listing Rule 10.14 who received securities under the Plan since it was approved by Shareholders on 30 June 2016, the number of the securities received and the acquisition price for each security is set out below:

Holder (or nominee)	Number of Options	Option acquisition price	Option exercise price	Expiry date
Ean Alexander	675,470	Nil	\$0.3395	4 April 2028
Thomas Borman	945,000	Nil	\$0.3041	1 March 2028
Mark Arnesen	2,000,000	Nil	\$0.2055	21 September 2026
Adam Smits	2,000,000	Nil	\$0.2130	14 November 2026

- (a) The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are the current Board members, namely: Ean Alexander, Mark Arnesen, Thomas Borman, Hongliang Chen, Peter Ruxton and Adam Smits.
- (b) No loans will be made in relation to the Incentive Options.
- (c) The Incentive Options will be issued to the Directors no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Options will be issued on one date, being as soon as practicable following the Meeting.
- (d) A voting exclusion statement is included in the Notice.

5.6 Additional information

Resolutions 3(a) and (b) are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 3(a) and (b).

Resolutions 3(a) and (b) are not conditional on the passing of each other.

Schedule 1 - Definitions

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

\$ means Australian Dollars.

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

Board means the board of Directors.

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).

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

Director means a director of the Company.

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

Executive Directors mean Mr Mark Arnesen and Mr Adam Smits.

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

Holder means a holder of an Option.

Huayou HK means Huayou International Mining (Hong Kong) Limited, a wholly owned subsidiary of Zhejiang Huayou Cobalt Co.

Incentive Option means an Option proposed to be issued pursuant to Resolution 3(a) and/or (b) (as applicable).

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.

Loan Conversion Shares has the meaning given in Section 3.1(b).

Loan has the meaning given in Section 3.1(b).

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

Ndovu means Ndovu Capital VI B.V..

Notice means this notice of general meeting.

Option means an option to acquire a Share.

Placement Shares has the meaning given in Section 3.1(a).

Plan means the Company's Employee Share Option Plan, the terms and conditions of which are summarised in the Company's notice of general meeting announced on ASX on 30 May 2016.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

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.

Tembo Capital means Tembo Capital Mining Fund LP.

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

Schedule 2 - Terms and Conditions of Incentive Options

The Incentive Options (**Options**) are proposed to be issued pursuant to the terms of the Plan and on the specific terms and conditions specified below:

1. Entitlement

Each Option entitles the Participant to subscribe for one Share upon exercise.

2. Plan

- (a) The Options are issued under the Plan.
- (b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Exercise Price and Expiry Date

- (a) The exercise price of each Option is \$0.3395 (**Exercise Price**), being the volume weighted average price for the Shares, calculated over the thirty days up to and including the date the Board accepted the Participant's application to participate in the Plan (**Acceptance Date**).
- (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 the Plan or these terms and conditions.

4. Vesting Conditions

- (a) Subject to these terms and conditions, the Options will vest on each of the following dates (**Vesting Dates**), subject to the Participant remaining engaged by the Company at all times between the date of issue of the Options and the relevant Vesting Date:
 - (i) one-third of the Options will vest upon 12 months after the Acceptance Date;
 - (ii) one-third of the Options will vest upon 24 months after the Acceptance Date; and
 - (iii) one-third of the Options will vest upon 36 months after the Acceptance Date;
- (b) Notwithstanding clause 4(a) above, all of the Options will immediately vest upon a Change of Control Event (as that term is defined in the Plan), except for a Change of 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.
- (c) The Options will vest when a Vesting Notice in respect of that Option is given to the Participant by the Company.

5. Termination

If for any reason the Participant become a Leaver (as defined in the Plan):

- (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.

6. Exercise Period

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

7. 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 Participant may apply to the Board to pay the Exercise Price for an Option by using the cashless exercise facility detailed in the Plan (**Cashless Exercise Facility**).
- (c) If the Board approves the Participant's application to use the Cashless Exercise Facility, the Participant 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 then 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.

8. Shares issued on exercise

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

9. 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 Participant in accordance with the Plan; 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) if required, subject to clause 9(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 Participant.
- (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 Participant 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.

10. 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 Participant, 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.

11. 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 Participant, 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 Participant, 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 (b) to the number of Shares will also be made to the additional Shares.

12. Rights issue

Unless otherwise determined by the Board, the Participant 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.

13. No other participation

Except expressly provided for in these terms and conditions, 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.

14. Quotation of Options

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

15. 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.

Schedule 3 - Black & Scholes Option Valuation

Director	Mark Arnesen			Adam Smits		
Incentive Options Tranche	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Exercise price	\$0.3395	\$0.3395	\$0.3395	\$0.3395	\$0.3395	\$0.3395
Market value on ASX of underlying Shares at time of setting exercise price	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Exercise price premium to market value	\$0.0395	\$0.0395	\$0.0395	\$0.0395	\$0.0395	\$0.0395
Expiry date	10/07/2028	10/07/2028	10/07/2028	10/07/2028	10/07/2028	10/07/2028
Expected volatility	101.8%	101.8%	101.8%	101.8%	101.8%	101.8%
Risk free interest rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Annualised dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Value of each Incentive Option	\$0.3157	\$0.3157	\$0.3157	\$0.3157	\$0.3157	\$0.3157
Aggregate value of Incentive Options	\$73,853	\$73,853	\$73,853	\$73,853	\$73,853	\$73,853



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.

2018 GENERAL MEETING - 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.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chairman 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 General Meeting of the Company to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Friday, 13 July 2018 at 1:00pm (WST) and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

Subject to the below, the Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

IMPORTANT FOR RESOLUTIONS 3(A) AND 3(B):

- Subject to the below, if the Chair is your proxy, either by appointment or default, and you have not specified your voting direction below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 3(a) and 3(b) even though those Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.
- If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement applicable to Resolution 3(a) or 3(b), the Chair will only be able to cast a vote as proxy for you if you are entitled to vote, have appointed as proxy in writing and specified your voting direction below.

STEP 1

VOTING DIRECTIONS

Agenda Items

	For	Against	Abstain*
1 Ratification of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Loan Conversion Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(a) Approval of issue of Incentive Options to Executive Director - Mark Arnesen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(b) Approval of issue of Incentive Options to Executive Director - Adam Smits	<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.

STEP 2

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, all the shareholder should 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

This form shows 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.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

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 permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chairman may vote as he sees 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:

- (a) 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
- (b) 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 1:00pm (WST) on Wednesday, 11 July 2018, 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



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



IN PERSON

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



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033