

2 September 2019

ASX: NZC

SCHEME OF ARRANGEMENT – UPDATE ON CONDITIONS PRECEDENT

Nzuri Copper Limited (**Nzuri** or the **Company**) (ASX: NZC) provides the following update on its proposed scheme of arrangement (**Scheme**) pursuant to which all of the issued capital in Nzuri is proposed to be acquired by Xuchen International Limited (**Xuchen**), a subsidiary of Chengtun Mining Co., Ltd (**Chengtun**).

The Scheme remains subject to the satisfaction of a number of conditions precedent (**Conditions**). These Conditions must be satisfied on or before the second hearing (**Approval Hearing**) at the Supreme Court of Western Australia (**Court**), which is presently listed for 5 September 2019 at 8.30am (WST).

Substantial progress has been made towards the satisfaction of the key Conditions described below, requiring:

- the receipt of certain regulatory approvals in the People’s Republic of China (**PRC**), with one of the three required approvals having now been received; and
- the completion of certain permit transfers in the Democratic Republic of the Congo (**DRC**) with Ministerial approval for the transfers now having been received, as announced on 30 August 2019.

Despite the substantial progress, full satisfaction of these Conditions is not expected to be satisfied before 5 September 2019.

To allow sufficient time for the full satisfaction of the Conditions before the Approval Hearing, Nzuri has notified the Court that it intends to request at the hearing on 5 September 2019 for the Approval Hearing to be adjourned until late September. Consequently, it is proposed that the Scheme be implemented in middle to late October. This remains within the Scheme’s ‘end date’ of 26 November 2019. The actual date for the Approval Hearing will be subject to the Court’s discretion and once known, Nzuri will release a further update.

Further information regarding the status of the relevant Conditions is described below.

PRC Regulatory Approvals

One of the remaining Conditions is the receipt by Xuchen of all approvals, consents, filings and authorisations required in connection with the Scheme, either unconditionally or on conditions that do not impose unduly onerous obligations on Nzuri or Xuchen (acting reasonably) from the following governmental agencies of the PRC or their competent local counterparts:

- the National Development and Reform Commission of China;
- the Ministry of Commerce of the PRC;
- the State Administration of Foreign Exchange of China; and
- any other relevant PRC Government Agency

(the **PRC Regulatory Approvals**).

Nzuri has been advised by Xuchen/Chengtun (together, **Chengtun Group**) that there are likely to be further delays in receiving certain PRC Regulatory Approvals.

In relation to the progress of the PRC Regulatory Approvals, Nzuri has received the following update from Chengtun Group:

“In order for the Scheme to be implemented, Chengtun Group requires approvals from the following PRC Government Agencies:

- *National Development and Reform Commission of China (NDRC);*
- *Ministry of Commerce; and*
- *State Administration of Foreign Exchange of China (SAFE).*

Chengtun Group is pleased to confirm that the NDRC’s official approval was received.

Chengtun Group continues to communicate and liaise with the Ministry of Commerce and SAFE on receipt of the relevant approvals required for the implementation of the Scheme. We will keep Nzuri duly informed on the progress of these approvals.

Chengtun Group confirms that to its knowledge, it has submitted all the applications and ancillary documentation required to obtain the remaining PRC Regulatory Approvals, and has attended to all further requests for information in relation to those applications received to date.

As at the date of this announcement, Chengtun Group has no reason to believe that the remaining PRC Regulatory Approvals will not be provided.

Chengtun Group will advise Nzuri of any material updates relating to receipt of the PRC Regulatory approvals as and when received.

Permit transfer

One of the other remaining Conditions requires the transfer of the five exploration permits (PR688, PR689, PR690, PR701 and PR702) (together, **Permits**) held by Ivanhoe Mines Limited to have been legally and effectively transferred to Regal Exploration DRC SASU (**Regal**), and relevant registration of those Permits to have been performed in the DRC to reflect Regal as the legal and beneficial owner of those Permits.

As announced on 30 August, Nzuri has received confirmation that the transfer of the Permits has been approved by the Minister of Mines in the DRC. Completion of the registration of the transfer of the Permits is now subject to completion of an administrative process by CAMI (the Cadastre Minier, or Mining Register, of the DRC). This administrative process is expected to be completed within the next two weeks.

Indicative timetable

Nzuri and Chengtun Group are working towards the implementation of the Scheme by middle to late October 2019. Nzuri will provide updated timetable details following the approval of the Court in connection with the adjournment of the Approval Hearing.

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