

30 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 11 October 2019 at 2.15pm (WST).

Two of the key Conditions remaining to be satisfied in full are:

- the receipt of certain regulatory approvals in the People’s Republic of China (**PRC**); and
- the completion of certain permit transfers in the Democratic Republic of the Congo (**DRC**).

Meaningful progress has been made towards the satisfaction of the above Conditions. Chengtun have advised of progress regarding PRC Ministry of Commerce approval. The transfer of three of the five exploration permits in the DRC has also completed. Further detail regarding these Conditions is below. Despite this progress, a further delay to the timetable for the Scheme will be required in order to satisfy these Conditions in full.

To allow sufficient time for the full satisfaction of these Conditions before the Approval Hearing, Nzuri intends to request at the hearing on 11 October 2019 that the Approval Hearing be adjourned to 29 October 2019 or as soon as possible after that date. Consequently, it is proposed that the Scheme be implemented in early November. 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 availability 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 (**NDRC**);
- the Ministry of Commerce of the PRC;
- the State Administration of Foreign Exchange of China (**SAFE**); and
- any other relevant PRC Government Agency

(the **PRC Regulatory Approvals**).

As previously announced, Nzuri has been advised by Xuchen/Chengtun (together, **Chengtun Group**) that the approval of the NDRC has been received (refer to the announcement of 2 September 2019 for details).

As to the remaining PRC Regulatory Approvals, Nzuri has received the following update from Chengtun Group:

*“The approval from the Ministry of Commerce was received on 23 September 2019. However, approval from SAFE is still outstanding. Chengtun Group does not foresee any impediments to being granted the approval from SAFE.*

*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. 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.

The transfer of the Permits has been approved by the Minister of Mines in the DRC. Following the receipt of Ministerial approval, completion of the registration of the transfer of the Permits is subject to completion of an administrative process by CAMI (the Cadastre Minier, or Mining Register, of the DRC).

The administrative process has been completed with respect to three of the five permits (PR 688, 689 & 702). The process with respect to the remaining two permits (PR 690 & 701) is expected to be completed imminently. All fees have been paid to CAMI and this final registration process is understood to be administrative and procedural in nature.

### **Indicative timetable**

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

**END**

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