

26 November 2019

ASX: NZC

SCHEME UPDATE

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.

As previously advised to shareholders, the Scheme remains subject to regulatory approval being received in the People's Republic of China (**PRC Regulatory Approval**). This condition must be satisfied by 8.00am (WST) on the date of the second hearing (**Approval Hearing**) at the Supreme Court of Western Australia (**Court**). Nzuri understands that the PRC Regulatory Approval has not yet been received by Xuchen.

Nzuri has also been advised by Xuchen that for commercial reasons, its preference is to fund the Scheme consideration by way of a third-party loan, which remains subject to the receipt of certain Chinese provincial government approvals. Xuchen has informed Nzuri that it expects these approvals to take between one to two months to be received. Xuchen has therefore requested for the 'end date' for the Scheme to be delayed from 26 November 2019 to 31 March 2020, with the Approval Hearing to be on or about 3 February 2020, and implementation of the Scheme to occur on or about 14 February 2020.

Nzuri remains in negotiations with Xuchen for the extension of the timetable as requested by Xuchen, as well as the provision of additional loan funding by Xuchen to Nzuri to accommodate the further delay.

In light of the outstanding PRC Regulatory Approval remaining outstanding and the ongoing negotiations, Nzuri requested the Court adjourn the Approval Hearing. The Court made orders adjourning the Approval Hearing until **10.30am (WST) on Friday, 13 December 2019**. It is anticipated that this will provide sufficient time for Nzuri and Xuchen to agree terms to an extension to the transaction. Further details regarding the Approval Hearing are included in the Appendix to this announcement.

An announcement including an updated indicative timetable for the Scheme will be released as and when any agreements are reached in respect of a revised timetable.

This announcement is not intended to lift the Company's suspension.

END

For further information please contact:

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Notice of hearing to approve scheme of arrangement

TO all the members of Nzuri Copper Limited (ACN 106 294 106) (**Nzuri**).

TAKE NOTICE that at 10.30am (AWST) on 13 December 2019 the Supreme Court of Western Australia (situated at the Stirling Gardens, 28 Barrack Street, Perth, Western Australia) will hear an application by Nzuri seeking the approval of an arrangement between Nzuri and its members, as agreed to by resolution by the members of Nzuri at a meeting of such members held at The Subiaco Hotel, Mezzanine Level, 465 Hay Street, Subiaco, Western Australia at 3.00pm (AWST) on 19 August 2019.

If you wish to oppose the approval of the arrangement, you must file and serve on Nzuri a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Nzuri at its address for service at least one day before the date fixed for the hearing of the application.

The address for service on Nzuri is HWL Ebsworth Lawyers, Level 20, 240 St Georges Terrace, Perth WA 6000, dcarpenter@hwle.com.au (Reference: Deanna Carpenter).