

13 December 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 Xuchen receiving regulatory approval from the State Administration of Foreign Exchange of China, or 'SAFE' in the People's Republic of China (**PRC**);
- for commercial reasons, Xuchen's preference is to fund (or part-fund) the Scheme consideration by way of a third-party loan, which remains subject to the receipt of certain PRC provincial government approvals (the receipt of these approvals is not a condition precedent to the Scheme);
- Nzuri and Xuchen have agreed to delay the 'End Date' of the Scheme to 31 March 2020; and
- Nzuri and Xuchen have agreed to amendments to the existing secured loan facility agreement, pursuant to which, amongst other things, Xuchen has agreed to advance up to an additional \$3.5 million of loan funding to Nzuri.

In light of the above matters and the overall delay to the Scheme, and after consultation with the Australian Securities and Investments Commission (**ASIC**), Nzuri understands it may become necessary to convene a further meeting of its shareholders (**Ratification Meeting**) to 'ratify' the approval of the Scheme provided at the Scheme Meeting held on 19 August 2019.

The Court has today ordered an adjournment to the proceeding to allow Nzuri to, amongst other things, obtain an updated Independent Expert Report from BDO Corporate Finance (WA) Pty Ltd to account for subsequent events since the original report was issued.

The next Court hearing for the matter is listed for 10am (WST) on 14 January 2020. At this hearing, it will be determined whether a Ratification Meeting is required. If a Ratification Meeting is required, Nzuri intends to also seek orders for the dispatch of an updated Scheme Booklet and the convening of the Ratification Meeting.

Indicative Timetable

In the event that a Ratification Meeting is not required, it is anticipated that the Scheme will be implemented in mid February 2020. In the event that a Ratification Meeting is required, it is anticipated that the Scheme will be implemented in early March 2020. These dates are indicative only and subject to the satisfaction of the remaining conditions precedent to the Scheme.

An updated indicative timetable will be released following the next Court hearing on 14 January 2020.

END

This announcement was lodged with ASX by Hannah Hudson, Company Secretary & Chief Financial Officer, pursuant to delegated Board authority.

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