

1 July 2019

ASX: NZC

SCHEME OF ARRANGEMENT – MEETING TO BE ADJOURNED

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**).

PRC Regulatory Approvals

As outlined in the Scheme Booklet despatched to shareholders on 6 June 2019 (as supplemented by the supplementary disclosure despatched to shareholders on or before 14 June 2019), the Scheme is subject to a number of conditions precedent.

One of the remaining conditions precedent to be satisfied under the scheme implementation deed (**SID**) is the receipt by Xuchen of all approvals, consents, filings and authorisations as 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 People's Republic of China (**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 delays in receiving the PRC Regulatory Approvals, and that it now anticipates receiving the PRC Regulatory Approvals on or around 31 August 2019.

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

“Chengtun Group has submitted all of the applications and ancillary documentation required to obtain the PRC Regulatory Approvals, and has attended to all further requests for information in relation to those applications received to date..

Chengtun Group understands that its applications for the PRC Regulatory Approvals are being processed, and as at the date of this announcement, Chengtun Group has no reason to believe that the 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.

Additional loan funding

In light of the delays to the Scheme, resulting from delays in receipt of the PRC Regulatory Approvals, Nzuri will require additional funding. Nzuri will advise the market of any agreement between Nzuri and Chengtun Group to provide such funding.

Scheme Meeting

Given the above matters, Nzuri proposes to adjourn the scheme meeting of Nzuri shareholders (**Scheme Meeting**) scheduled to be held at 3pm (WST) on Monday, 8 July 2019, until a later date.

Nzuri intends to seek orders from the Supreme Court of Western Australia (**Court**) in connection with the adjournment of the Scheme Meeting, and a further notice of meeting and supplementary disclosure to the Scheme Booklet will be sent to all shareholders in due course.

Indicative timetable

Nzuri and Chengtun Group are working towards the implementation of the Scheme by mid-to-late September 2019. Nzuri will provide updated timetable details following the approval of the Court in connection with the adjournment of the Scheme Meeting and the supplementary disclosure.

END

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