

ZCI Limited
(Bermudian registration number 661:1969)
(South African registration number 1970/000023/10)
JSE Share code: ZCI
ISIN Code: BMG9887P1068
Euronext share code: BMG9887P1068
("ZCI" or "the Company")

Amendments to the terms and conditions of the IAMA and withdrawal of cautionary announcement

1 Introduction

ZCI shareholders ("Shareholders") are referred to the Annual Report that was distributed to Shareholders on Friday, 28 June 2013 and to the announcement published on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on Monday, 12 August 2013 ("Announcement"), which included details of the proposed variations to the terms and conditions ("Amendments") of the Investment Advisory and Management Agreement ("IAMA") entered into between ZCI and iCapital (Mauritius) Limited ("iCapital") in order to settle a dispute between ZCI and iCapital as to the calculation and payment of the performance fee, if any ("Performance Fee Dispute"), for two 24-month periods, the first from 1 January 2009 to 31 December 2010 ("First Period") and the second from 1 January 2011 and would have ended on 31 December 2012 ("Second Period"), had ZCI not given iCapital six months written notice of the termination of the IAMA on 20 July 2011, following which the IAMA terminated on 31 January 2012.

The Amendments are constituted by a number of agreements and settlement deeds including, *inter alia*, the escrow agreement entered into between ZCI, iCapital and Norton Rose Fulbright LLP on 24 May 2013 ("Escrow Agreement"), which prescribes the escrow arrangements for the settlement of the disputes that have arisen between ZCI and iCapital including the Performance Fee Dispute and the share transfer deed signed by ZCI and iCapital and held in escrow, relating to the settlement of the Performance Fee Dispute ("Share Transfer Deed"). The Share Transfer Deed provides for the following:

- an initial payment of US\$2 million in settlement of the Performance Fee Dispute for the First Period ("Initial Payment"); and
- the transfer to iCapital of 247 575 741 African Copper PLC ("ACU") ordinary shares ("ACU Shares") held by ZCI ("Transfer Shares") in settlement of the Performance Fee Dispute relating to the Second Period ("Transfer"). The Transfer Shares constitute 18.5% of ACU Shares held by ZCI and 16.67% of the total issued share capital of ACU subsequent to the conversion by ZCI of the loan of US\$8 379 100 from ZCI to ACU into 556 307 263 ACU Shares ("Loan Conversion"), in accordance with the terms of the relevant loan agreement.

The Amendments constitute a related party transaction in terms of section 10 of the JSE Listings Requirements so they require the approval of Shareholders. A circular setting out details of the Amendments, the text of the fairness opinion obtained from Venmyn Deloitte (Pty) Ltd in respect of the Amendments and, including a notice of general meeting ("General Meeting") which contains ordinary resolutions to approve the Amendments ("ZCI Circular"), will be posted to Shareholders on Wednesday, 11 September 2013. Mr J Soko, the related party to ZCI, and his associates do not hold any ZCI ordinary shares ("ZCI Shares").

2 Conditions precedent

ZCI's release from all and any claims arising from the Performance Fee Dispute in relation to the First and Second Periods is conditional on the following:

- the approval by Shareholders, in general meeting, of the Share Transfer Deed; and
- the Share Transfer Deed being unconditionally and irrevocably released from escrow in accordance with the terms of the Escrow Agreement.

3 Pro forma financial effects

The table below sets out the summary *pro forma* financial effects of the Amendments, on ZCI's basic earnings, headline earnings, diluted earnings, diluted headline earnings, net asset value and net tangible asset value per ZCI Share.

The summary *pro forma* financial effects have been prepared to illustrate the impact of the Amendments on the audited, published financial information of ZCI for the year ended 31 March 2013, had the Amendments occurred on 1 April 2012 for the purpose of the statement of comprehensive income and on 31 March 2013 for the purpose of the statement of financial position.

The summary *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited, published financial information of ZCI for the year ended 31 March 2013.

The summary *pro forma* financial effects set out below are the responsibility of the directors of ZCI and have been prepared for illustrative purposes only and because of their nature may not fairly present the financial position, changes in equity, and results of operations or cash flows of ZCI after the Amendments.

	Before the Amendments ¹ Actual	After the Amendments ² <i>Pro forma</i>	Percentage change ⁵
Basic earnings/(loss) per ZCI Share (US\$ cents)	5.16	(4.19)	(181.2)
Diluted earnings/(loss) per ZCI Share (US\$ cents)	1.63	(5.53)	(439.3)
Headline earnings/(loss) per ZCI Share (US\$ cents)	7.42	(2.32)	(131.3)
Diluted headline earnings/(loss) per ZCI Share (US\$ cents)	3.89	(3.66)	(194.1)
Net asset value (US\$ cents)	152.60	158.49	3.9
Net tangible asset value (US\$ cents)	81.04	86.93	7.3
Number of ZCI Shares in issue	55,677,643	55,677,643	0.0
Weighted average and diluted number of ZCI Shares in issue	55,677,643	55,677,643	0.0

Notes

1. The "Before the Amendments" basic earnings/(loss), diluted earnings/(loss), headline earnings/(loss) and diluted headline earnings/(loss) per ZCI Share have been extracted without adjustment from the audited, published results of ZCI for the year ended 31 March 2013. The "Before the Amendments" net asset value and net tangible asset value per ZCI

Share have been calculated from the financial information presented in the audited, published results of ZCI for the year ended 31 March 2013.

2. The financial information included in the "After the Amendments" column has been prepared based on ZCI's audited, published financial results for the year ended 31 March 2013, taking into account the following:
 - the Loan Conversion resulting in ZCI holding an additional 556 307 263 new ACU Shares;
 - the settlement of the Initial Payment of US\$2 million to iCapital;
 - the Transfer which has been recognised as a share based payment and calculated in accordance with IFRS 2 *Share-based Payments* and IAS 27 *Consolidated and Separate Financial Statements* ("Standards"). The Transfer has been measured at the fair value (based on the ACU Share price in accordance with the Standards) of the equity instruments granted and calculated as 247 575 741 ACU Shares, granted at the quoted share price of ACU Shares on the London Stock Exchange of GBP1.63 on the assumed grant date, being 31 March 2013, and converted to US Dollars based on an exchange rate of US\$1.52 for each GBP1.00 on the same date;
 - the assumed once-off costs directly relating to the Amendments, amounting to US\$130 000, have been expensed in accordance with IFRS; and
 - the increase in the non-controlling interest as a result of the decrease in ZCI's shareholding in ACU in terms of the Transfer has been recognised.
3. There are no post balance sheet events which require adjustment of the pro forma financial effects.
4. All adjustments, with the exception of costs directly attributable to the Amendments of US\$130 000, are expected to have a continuing effect on the financial results of ZCI.
5. The percentage change is measured as the difference between the "After the Amendments" column and the "Before the Amendments" column as a percentage of the "Before the Amendments" column.

4 Salient dates and times

	2013
Record date to be entitled to receive notice of the General Meeting	Friday, 30 August
ZCI Circular posted to Shareholders on	Wednesday, 11 September
Last day to trade ZCI Shares in order to be eligible to participate and vote at the General Meeting	Friday, 13 September
Record date to be entitled to participate in and vote at the General Meeting	Friday, 20 September
Forms of proxy for the General Meeting must be received by 15:00 CET (14:00 BST, 15:00 SAST) on	Monday, 23 September
General Meeting to be held at 15:00 CET (14:00 BST, 15:00 SAST) on	Thursday, 26

	September
Results of the General Meeting released on SENS on	Thursday, 26 September
Results of the General Meeting published in the press on	Friday, 27 September

Notes

1. All dates and times referred to in this announcement are Central European (GMT+1) times.
2. These dates and times are subject to amendment. Any such amendment will be released on SENS.
3. Copies of the ZCI Circular may be obtained in English only on the Company's website (www.zci.lu) and at the Company's registered office and KPMG Services (Pty) Ltd's offices, during normal business hours, from Wednesday, 11 September 2013 until Thursday, 26 September 2013.

5 Withdrawal of cautionary

Shareholders are advised that caution is no longer required to be exercised when dealing in their ZCI Shares.

Bermuda

22 August 2013

Transaction Sponsor

KPMG Services (Pty) Ltd

Sponsor

Bridge Capital Advisors (Pty) Ltd

Independent expert

Venmyn Deloitte (Pty) Ltd

International legal advisor

Maitland Advisory LLP

Reporting accountants and auditors

KPMG Inc.