

ZCI Limited

Bermudian registration number 661:1969

Euronext share code: BMG9887P1068

("ZCI" or "the Company")

## **JUDICIAL MANAGEMENT ORDER OF LEOAM HOLDINGS (PROPRIETARY) LTD**

Shareholders are referred to the previous announcements released by ZCI in connection with, inter alia, the Provisional Judicial Management Order issued by the Botswana High Court for Leboam Holdings (Proprietary) Limited ("**Leboam**"), which became effective on 18 December 2018. Capitalised terms defined in previous announcements have the same meaning when used herein.

Shareholders are advised that following a meeting of creditors of Leboam held on the 25<sup>th</sup> of February 2019, pursuant to the Provisional Judicial Management Order, the Botswana High Court has issued a Final Judicial Management Order for Leboam (the "**Final Order**"). The Final Order became effective on 28 February 2018 and accordingly, subject to the supervision of the Botswana High Court, Leboam is placed under Judicial Management. Pursuant to the Final Order, Mr John Hinchcliffe, an accredited and registered Chartered Accountant in Botswana, continues in his appointment as the Judicial Manager (the "**Judicial Manager**") and any legal proceedings contemplated and/or subsisting by or against Leboam is stayed and restrained.

At the aforementioned creditors meeting, the Judicial Manager presented to the Master of the Court in Botswana and Leboam's general body of creditors his report on the assets and liabilities of Leboam, its debts and obligations as well as his view on the prospects of Leboam's recovery to trade as a going concern. The report indicated that Leboam is insolvent. The recommendation from the Judicial Manager was that Leboam be placed under Judicial Management as opposed to liquidation as there are prospects for recovery for the following reasons:

- Preliminary studies carried out by consulting engineering firms indicate that there are sufficient ore deposits of good quality that could extend the life of mine to another 26 years.
- Fujax Minerals and Energy (the First Petitioner) is committed to funding the care and maintenance programme until Leboam is able to trade as a going concern.
- There are potential options of entering into a scheme of compromise with creditors to reduce Leboam's debt burden.
- It is estimated by the Judicial Manager that Judicial Management may run for 9 months.

Pursuant to the terms of the Final Order, with effect from 28 February 2019, the Judicial Manager is authorised to secure and preserve the assets of Leboam; to prevent the continuing mismanagement of Leboam; to ensure Leboam will be able to meet its obligations so as to avoid a winding-up; and to do all things necessary to preserve the interests of the members and creditors of Leboam. Furthermore, the Judicial Manager shall submit a quarterly report to a meeting of the creditors of Leboam, and to the Master of the Court in Botswana, to provide updates as to Leboam's position.

As more information becomes available, the Company shall provide further updates.

Bermuda

5 March 2019