

ZCI Limited

(Bermudian registration number 661:1969)

JSE share code: ZCI

ISIN: BMG9887P1068

Euronext share code: BMG9887P1068

("ZCI" or the "Company")

## RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the previous cautionary announcements released by ZCI in connection with the liquidation of each of Messina Copper (Botswana) Proprietary Limited (in Liquidation) ("**Messina**" or "**MCB**") and African Copper plc (in Liquidation) ("**ACU**"). Capitalised terms defined in previous announcements have the same meaning when used herein.

Shareholders are reminded that on 16 December 2016 it was resolved that the Messina Liquidator be authorised to accept an Amended Offer from Leboam Holdings Proprietary Limited ("**Leboam**") in respect of the disposal of the assets of Messina dependent on certain suspensive conditions being satisfied (the "Transaction"). Shareholders are further reminded that the suspensive conditions relating to the transfer of the Messina assets to Leboam and the release by ZCI of the security held by it over the Messina assets and the simultaneous re-issue to ZCI by Leboam of an identical security package as security for Leboam's obligations owing to ZCI in terms of the Transaction, have been met.

Shareholders are advised that on 13 December 2017 the parties to the Transaction agreed to amend certain of the terms relating to the consideration contemplated in the Amended Offer whereby upon conclusion of the fundraising by Leboam, including a capital raising and the admission of the ordinary shares of Cradle Arc plc (formerly known as Alecto Minerals plc) ("**Cradle Arc**") to trading on AIM, ZCI will receive a cash payment of US\$2 million; an US\$8 million secured loan payable by Leboam over 33 months (which includes a 9 month capital repayment holiday) carrying interest at 13.5%; ordinary shares in Leboam representing 40% of the share capital of Leboam; and a US\$21 million unsecured shareholder loan recorded in the books of account of Leboam in favour of ZCI.

The fundraising by Leboam depends amongst other things on the continued production at the Mowana mine which requires working capital. That working capital is being funded by bridge finance to Leboam from its off-take parties. Simultaneous with the amendments to the Transaction described above, Leboam has procured a secured working capital facility from its off-take parties in the sum of US\$5 million subject to, inter alia, the admission of the ordinary shares of Cradle Arc to trading on AIM. In addition Leboam and Cradle Arc are pursuing the Cradle Arc capital raising and continues to progress its preparations for Cradle Arc's ordinary shares to be admitted to trading on AIM.

Due to the nature of the suspensive conditions to the Transaction and the uncertainty in respect of the successful funding of the purchase price of the Transaction, as at the date of this announcement the board of directors of ZCI cannot reliably estimate the extent of any potential proceeds arising as a result of the aforementioned liquidation proceedings. The Company will provide updates to stakeholders as and when

further information in relation to the above matters, including the full financial impact thereof, has been made available.

As a result of the events explained above, the board of directors of ZCI is not able to provide a date on which the suspension of trading, in securities of ZCI, is expected to be lifted as is required in terms of Section 1.10(c) of the JSE Limited Listings Requirements.

Bermuda

15 December 2017

Sponsor: Bridge Capital Advisors Proprietary Limited