

NAMIBIAN COPPER LIMITED
ACN 118 913 232

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 30 September 2016 (**Prospectus**), issued by Namibian Copper Limited (ACN 118 913 232) (**Company**).

This Supplementary Prospectus dated 17 October 2016 was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus copies of which can be downloaded from the website of the Company at www.namibiancopper.com.au.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

2. REASONS FOR SUPPLEMENTARY PROSPECTUS

The purpose of this Supplementary Prospectus is:

- (a) to advise investors that the audited financial reports of Ausnet have been lodged with the ASIC, are incorporated by reference into this Supplementary Prospectus and where the accounts are available in Section 3; and
- (b) for the Company to make the amendments to the Prospectus as set out in Section 4.

3. AUDITED FINANCIAL REPORTS FOR AUSNET REAL ESTATE SERVICES PTY LTD

The audited financial reports for Ausnet have been lodged with the ASIC and are incorporated by reference into this Supplementary Prospectus pursuant to section 712(2) of the Corporations Act.

The Company will give a copy of these accounts to any person who requests a copy during the offer period, free of charge.

Ausnet's audited financial reports for the financial years ended 30 June 2014, 2015 and 2016 are available on:

- (a) the Company's ASX announcements platform (ASX: NCO); and
- (b) Ausnet's website at www.ausnetrealestateservices.com.au.

Ausnet has experienced losses in recent financial years as it has been investing funds in the development of the new online platform, employees, creation and expansion of business units, marketing, trademarks and legal costs.

4. AMENDMENTS TO THE PROSPECTUS

The Prospectus is amended as follows:

(a) **Chairman's Letter**

The tenth paragraph of the Chairman's Letter is amended by deleting the words "conditionally".

(b) **Section 1.10 - Use of Funds**

The table in Section 1.10 is amended by:

- (i) deleting the words "TOTAL FUNDS APPLIED" and replacing them with "TOTAL";
- (ii) deleting the number "2,929" and replacing it with "4,826"; and
- (iii) deleting the number "4,003" and replacing it with "6,826".

(c) **Section 1.12 - Capital Structure**

The table and notes in Section 1.12 are deleted and replaced with the following:

	Note	Minimum Subscription Shares ² \$3,800,000		Maximum Subscription Shares ² \$5,800,000		Options over Shares No.	Performance Shares ^{Error!} Reference source not found. No.
		No.	%	No.	%		
Securities on issue at date of Prospectus		92,792,993	19.22	92,792,993	15.92	24,076,072 ³	-
Securities to be issued at Settlement							
Consideration Shares and Consideration Performance Shares	5	200,000,000	41.43	200,000,000	34.32	-	66,666,667
Incentive Performance Shares		-	-	-	-	-	46,666,667
Shares pursuant to the Offer		190,000,000	39.35	290,000,000	49.76	-	-
Adviser Options	6	-	-	-	-	5,000,000	-
Joint Underwriters Options		-	-	-	-	51,666,667 ⁷	-
TOTAL	8	482,792,993	100.00	582,792,993	100.00	80,742,739	113,333,334

Notes:

1. For further information, refer to the Investigating Accountant's Report in Section 6.
2. Rights attaching to the Shares are summarised in Section 9.3.1.
3. Options exercisable at \$0.15 on or before 30 April 2019. Terms and conditions of the Options on issue can be found in Section 9.5.
4. The terms and conditions of the Performance Shares are set out in Section 9.4.

5. The Consideration Shares will be issued at a deemed issue price of \$0.02 per Share.

6. The Advisor Options will be issued to Richmond Food Systems Pty Ltd ATF the Monterey Fund (**Richmond Advisory**) and are exercisable on the same terms as the current Options on issue, as set out in Section 9.5.2.

7. This figure represents the maximum number of Underwriter Options to be issued to the Joint Underwriters. If the Minimum Subscription is raised, the Company will issue 35,000,000 Options to the Joint Underwriters. Up to a further 16,666,667 Underwriter Options will be issued on the basis that an additional one (1) Underwriter Option will be issued for every six (6) Shares underwritten or otherwise issued under the Offer, up to the Maximum Subscription. The full terms and conditions of the Underwriter Options are set out in Section 9.5.3.

8. The Company currently has 13,800,000 performance rights on issue. It is a condition precedent to Settlement that the Company cancels these performance rights.

(d) **Section 3.3 – Ausnet Background and Overview**

Section 3.3 is amended by inclusion of the following sentence:

All members of the Ausnet group are based only in Western Australia.

(e) **Section 3.3.1(a) – Ausnet Property Investment Strategies (APIS)**

Section 3.3.1(a) is amended by:

- (i) *deleting the first sentence of this section and replacing it with the following:*

Ausnet holds 50% of the issued shares in Empur Pty Ltd (trading as APIS) and Philip James Bertram holds the remaining 50% of the issued shares. Mr Bertram is the Managing Director of APIS and has experience in investment property sales and finance broking. Mr Bertram was instrumental in the establishment of APIS. APIS combines property services, finance, settlements and financial planning enabling Ausnet to assist its clients with their property investments, educating them on their options and then implementing a personalised property investment strategy.

- (ii) *deleting the words “external referral partners” in the last sentence and replacing them with the following:*

real estate agents, accountants and financial planners.

(f) **Section 3.3.1(b) – The Agency – Your Property Partners**

Section 3.3.1(b) is amended by:

- (i) the inclusion of the following as new sixth and seventh sentences in the first paragraph:

The average commission payable to agents is approximately 43%. The Agency pays commission of 75%. The Agency adopts a different business model to other real estate agencies by paying commissions which are higher than market average.

- (ii) the title “The Agency Dashboard (actual 30 June 2016)” is deleted and replaced with the following:

(g) **Section 3.4.1 – Industry**

Section 3.4.1 is amended by:

- (i) the inclusion of the following as a new second paragraph:

Ausnet and its subsidiaries are subject to and governed by various Federal and State legislation, including the Settlement Agents Act 1981 (WA), Real Estate and Business Agents Act 1978 (WA), Real Estate and Business Agents and Sales Representatives Code of Conduct 2016 (WA), National Consumer Credit Protection Act 2009 (Cth), Corporations Act 2001 (Cth) and the Competition and Consumer Act 2010 (Cth). Agents, sales representatives, brokers and all relevant staff are required to undertake ongoing training and continuing professional development in addition to mandatory continuing professional development to ensure staff are completely up to date and compliant with all legislative requirements and best practice regimes. Ausnet's business model and cross-referral structure was carefully created and implemented following legal advice from Ausnet's lawyers.

- (ii) the inclusion of the following as a new third paragraph:

Ausnet strictly manages any potential conflicts of interests for its real estate agents. Ausnet's licensee monitors and upholds compliance matters and Ausnet has not, to date, had any compliance issues identified by their audits.

- (iii) the inclusion of the following as a new fourth paragraph:

There are differences in the various settlement legislation amongst the states, however to the best of Ausnet's knowledge there are no major differences which affect Ausnet's business model. It is noted that currently, Ausnet is only operating in Western Australia, however as and when required the Company will seek advice on interstate legislation requirements. In August 2017, PEXA (Property Exchange Australia) will become the compulsory national settlement platform and Ausnet is working towards transitioning its business this this platform.

(h) **Section 3.4.2 – Industry Challenges**

Section 3.4.2 is amended by the deletion of paragraph 3 and the inclusion of the following in its place:

While many people research on-line, A majority of transactions are completed offline. Ausnet has developed a platform and process that empowers its real estate agents and external accountants and financial planners to offer a larger range of services and assists them to better engage with their clients and rewards them with additional revenue lines. Ausnet's agents use its internal platform to assist clients to gain information and additional options by introducing them to Ausnet's other business units which offer services that may be required by the client in completing

a property transaction - such as finance and settlement. Upon the relevant business unit obtaining permission from the client, the client is referred on the platform to the relevant business units. The service is then provided by a licensed/ authorised staff member.

(i) **Section 3.4.3 - Business model**

Section 3.4.3 is amended as follows:

- (i) The following is included as a new second sentence in the first paragraph:

At each stage of the transaction process, if a relevant need arises as part of that transaction or service, and the client consents to the introduction, the client is referred to a referral partner and the referral is tracked on the platform. Each referral partner is an expert in their own field who is licenced to provide the relevant advice or sell the relevant product, as the case may be.

- (ii) The following is added to the end of paragraph 3:

It is intended that Ausnet will generate revenue and value for the Company and Shareholders via fees from multiple linked revenue streams via the sales of properties, the management of properties, settlement fees, mortgage broking commissions and trailing fees, financial planning services and product commissions and trailing fees, general insurance commissions and trailing fees. Ausnet also intends to generate revenue and create value by organic growth and/or acquisition in the following areas:

- *Rent roll/real estate businesses;*
- *Mortgage trail book;*
- *Financial planning trail book; and*
- *General Insurance trail book.*

- (iii) The following is added to the end of the statement "The extended platform is proposed to provide data analytics, cross referral opportunities and targeted, relevant offers and marketing material" contained in paragraph 5:

... to clients directly, via access to Ausnet's website, and to accountants, financial planners, tax agents and wealth managers involved in Ausnet's Value Partner Program via access to its online platform.

- (iv) The following is added to the end of paragraph 9:

The client must consent to any of their information being forwarded. Ausnet has had this requirement confirmed by previous legal advice. None of the client's information is shared unless the client's approval is first provided.

(j) **Section 3.4.4 – Australian Mortgage and Real Estate Market Outlook**

Section 3.4.4 is amended by:

- (i) the title of Section 3.4.4(a) being deleted and replaced with:
Mortgage Market – Australia wide
- (ii) the title of Section 3.4.4(b) being deleted and replaced with:
Real Estate Market – Australia wide
- (iii) the inclusion of a new Section 3.4.4(c) as follows:
 - (c) *Western Australian Market*

As noted, Ausnet has not yet started operating outside of Western Australia. In Western Australia, property market sales and turnover is low. Ausnet considers that the refinancing industry is a growing segment.

(k) **Section 5.1 – Introduction**

Section 5.1 (the Introduction to the Financial Information Section) is amended by the inclusion of the following as a new second paragraph:

Ausnet has experienced losses in recent financial years as it has been investing funds in the development of the new online platform, employees, creation and expansion of business units, marketing, trademarks and legal costs.

5. NEW APPLICATIONS

New applications for Shares on and from the date of this Supplementary Prospectus **must** be made using the Supplementary Application Form attached to or accompanying this Supplementary Prospectus. The Supplementary Application Form contains detailed instructions on how it is to be completed.

Applications made on the Application Form attached to or accompanying the Prospectus on or after the date of this Supplementary Prospectus will not be valid.

6. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Neil Warburton
Chairman
For and on behalf of
Namibian Copper Limited