

19 April 2016

ASX ANNOUNCEMENT

NAMIBIAN COPPER SIGNS BINDING HEADS OF AGREEMENT TO ACQUIRE AUSNET FINANCIAL SERVICES GROUP

Namibian Copper NL (**NCO** or the **Company**) is pleased to announce that it has signed a binding Heads of Agreement (**HOA**) with Ausnet Real Estate Services Pty Ltd (ACN 093 805 675) (**Ausnet**) to acquire 100% of the issued capital in Ausnet (**Ausnet Shares**), a parent of a group of companies specialising in financial and wealth management services and associated real estate services (**Acquisition**) for equity in NCO.

The HOA replaces the non-binding term sheet (**Term Sheet**) the Company announced on 14 December 2015.

Details about the Acquisition, including conditions precedents are found in the announcement dated 14 December 2015. There are no material differences between the HOA and the Term Sheet other than those detailed below:

Changes to Consideration

- (a) Tranche 2 of the Performance Shares will be issued to Ausnet Stakeholders at the discretion of the Board rather than only to Ausnet Shareholders.

Changes to Conditions Precedent

- (a) There is a new condition precedent that there will be execution of a formal share sale agreement by Ausnet, NCO and those Ausnet Shareholders holding more than 5% of the issued shares of Ausnet.
- (b) There is no longer a requirement to obtain an Independent Expert's Report.

NCO Chairman, Neil Warburton said, "this is a significant milestone for the company and all shareholders. Ausnet brings a large mortgage loan book (circa \$1.2bn) and associated trailing commissions, has increased revenue over the last 12 months and has identified potential large acquisitions in the Eastern States of Australia for immediate growth, post Completion. The Board is very pleased to achieve this milestone and is working tirelessly to complete the acquisition".

Further information will be provided in the near future including the Notice of Meeting.

Jay Stephenson
Company Secretary

Ausnet Update and Opportunity Summary

Ausnet is continuing to develop its strategy of helping investors, small businesses and their advisors make better funding decisions.

We do the hard work and provide clients and referral partners with support and products to help make better decisions.

Our differentiation will be based on our scalable platform that will service the largest referral sources to the Finance Broker Channel which now accounts for 50% of all mortgages. These Channels are Real Estate Agents, Accountants / Tax advisors and Financial Planners. Our platform and service offering is designed to assist the referral partner to better service and advise their clients. The advisor will strengthen their relationship by providing a more holistic and timely service by being better informed and having access to support and products.

The key of this model is to supplement our organic growth by forming partnerships with the main referral sources to the broker segment who are also trusted advisors of the end clients. Once the relationship is established through a better understanding of the client's needs and goals the advisor can provide and service multiple needs via products and services from the platform.

The end client gets better choice and information to make better decisions and can transact immediately.

The Referral Partner receives support, tools, marketing and more importantly connections to several products and product providers to elevate their service offering and strengthen their relationship as a trusted advisor.

The Referral Partners and Ausnet share revenues in a growing low cost multi Asset Under Management class business.

Currently Ausnet has approximately \$1.2b AUM and annual revenues of \$6m. We have also been recognised as the most productive provider in the country and currently rank as the 12th biggest by the Advisor magazine.

In August we launched our first channel to market for the Real-estate segment "The Agency" with great success. In a depressed property market we are ahead of all targets set especially referral targets which are running 6 times higher than industry.

The size of this broker/intermediaries market is made up of approximately \$5b in upfront fees.

Our market and why combine Property and SME segments

- Residential Real Estate underpins Australia's wealth \$6.6tr and accounts for more than half of all household wealth
- Whether you are buying a home to live in or as an investment property you are making an investment decision.
- Last year investor lending was \$11.4b compared to owner occupier \$13.3b
- Total home lending is approx \$1.4tr
- SME lending approx \$200b
- Almost 30% of our housing book is by self employed
- The RBA suggests that many small businesses may be financed indirectly via household borrowings

Changing Worlds- our opportunity

On the one hand

The Banking and Finance World

- Banks losing trust with Clients
- Low understanding of client needs
- Mortgages are becoming a commodity
- Brokers will increase market share

The Advisor World

- Under threat from robo-finance and accounting software providers that will automate basic accounting and advise tasks.
- Need to expand their service offering and value proposition
- Need to strengthen their existing client relationships
- Need to broaden their revenue base

What the Experts Say

What will the next disruption look like?

- Not just Fintech but a new model that involves people, processes and platforms. 80% of consumers research online but less than 5% proceed with an application
- Needs to provide data analytics - cross referral opportunities and targeted relevant offers
- Digital/cloud based -tools and delivery platform to third parties for whom the service is their value proposition
- Connectedness for clients and intermediaries -working together-client centric
- Loyalty and lifestyle -the digital connection between the consumer, the trusted service provider delivering solutions tying together the finance decision, wealth management and tax consideration with personal objectives

Now that the transaction with NCO is proceeding we look forward to presenting our achievements in the business and our new division "The Agency ", outline our plan and the opportunities that it offers in detail to investors as we look to accelerate our growth.