



**NZURI**  
COPPER LIMITED

*An Emerging Copper and Cobalt Company*

# A NEW CHAPTER

February 2017

[www.nzuricopper.com.au](http://www.nzuricopper.com.au)

ACN: 106 294 106

ASX: RER (NZC as from 7 February 2017)



# Forward-looking and Cautionary Statements

This document contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements.

Statements in this document regarding the Nzuri Copper Limited's (the "Company") business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

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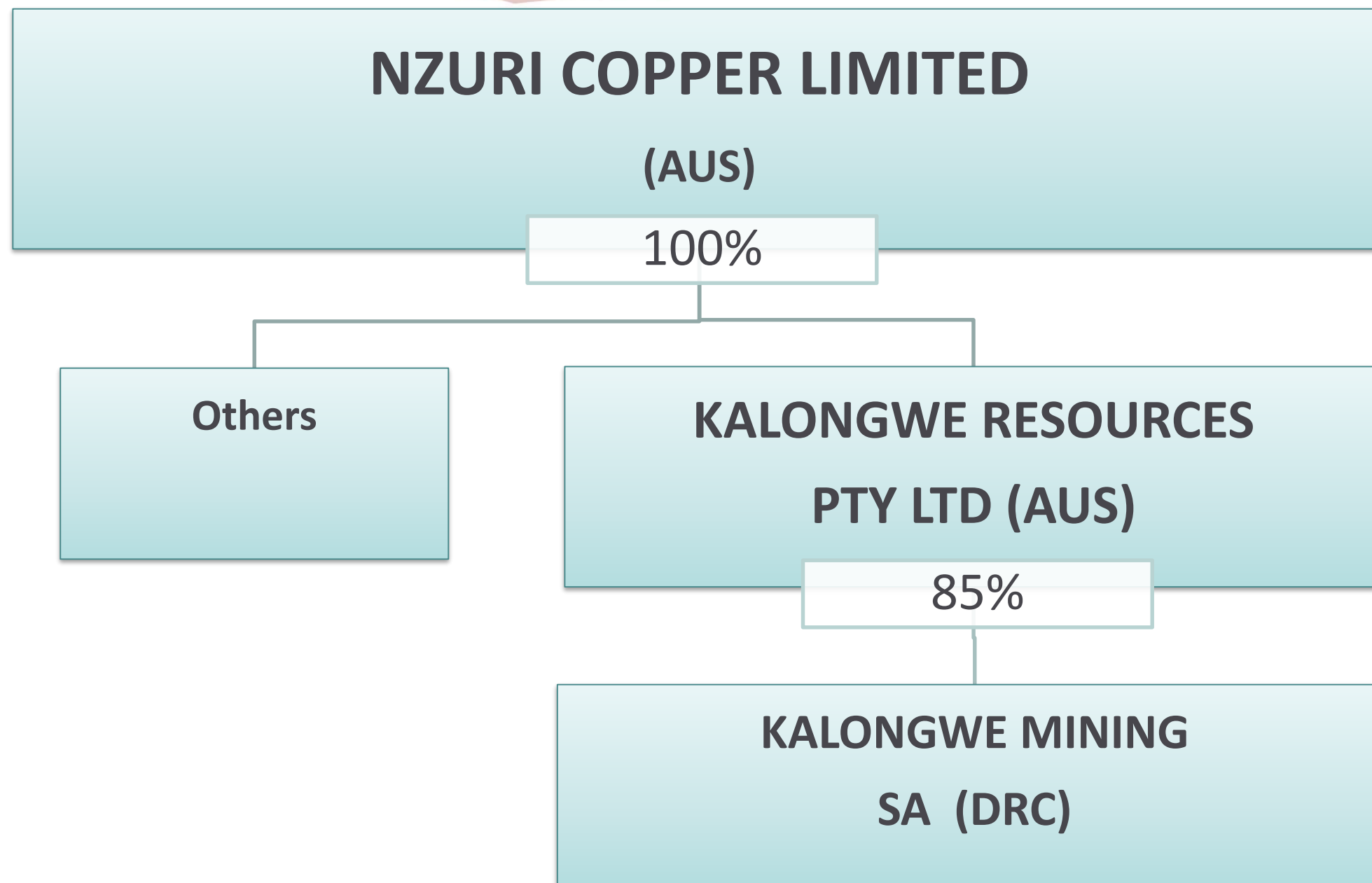
# Nzuri Copper Limited

## *Nzuri in brief:-*

- Nzuri's flagship project *Kalongwe* has a JORC Inferred Resource of 302,000t Copper and 42,700t Cobalt (see Appendix 1) with:-
  - DRC Mining Permit in place
  - Considerable scoping work including preliminary Capex estimates, extensive metallurgical testwork & financial modelling completed for Kalongwe during 2015/16
  - DFS commenced & planned for 2017 completion
- Exploration team on the ground working the 334km<sup>2</sup> exploration JV tenements (including those in close proximity to Kamoia & Kakula)



# Nzuri Corporate Organisation



# Nzuri - The Team

**Dr. Peter Ruxton**

*Non-executive Chairman*

- Peter is co-founder of Tembo Capital, a private equity, mining fund group, which specializes in investment in Africa and other Emerging Markets.
- Peter is a Geologist with a strong technical background having spent 35 years in the mining industry.

**Mark Arnesen**

*CEO/Executive director*

- Mark is Chartered Accountant with extensive expertise in the structuring and negotiation of finance for major resource projects.
- Mark has held senior positions with a number of international mining companies.

**Adam Smits**

*COO/Executive director*

- Adam is a Mechanical Engineer with a successful 20 year career across Australia & West Africa.
- For the past 10 years Adam has lived and worked in francophone West Africa where he has held a variety of project development roles

**Anthony Begovich**

*CFO/Company secretary*

- Anthony is a Chartered accountant with over 20 years of experience in the resources sector.
- For the last 10 years Anthony has worked as a CFO and Company secretary for public listed companies in the mining industry, most of whom with overseas projects.

**Issa Ganda (DRC)**

*Chief relations officer*

- Issa holds a Masters in Finance and is a qualified accountant with over 30 years of experience and for the last 20 years Issa has worked for international mining companies with a high level of local, regional and domestic government interaction in the Democratic Republic of Congo

**Dawie Marx (DRC)**

*Finance manager*

- Dawie is a Professional accountant with 10 years of experience in the resource sector. He has spend 8 years of this in the Democratic Republic of Congo on various exploration /development projects





# Corporate Snapshot

*Strong cornerstone shareholder base provides basis for project financing*

Major shareholders		Capital structure	
Tembo Capital	59.9%	Market Cap*	\$42.9M @ 22.5c/share
Traxys	7.0%	Cash	\$6.0M
GICC	5.8%	Issued shares	190.6M
Afrimines	5.6%	Options^	12.7M
Exploration Capital Partners (Sprott)	3.7%	Fully diluted	203.3M
Board/management	2.5%	Debt	\$6.0M



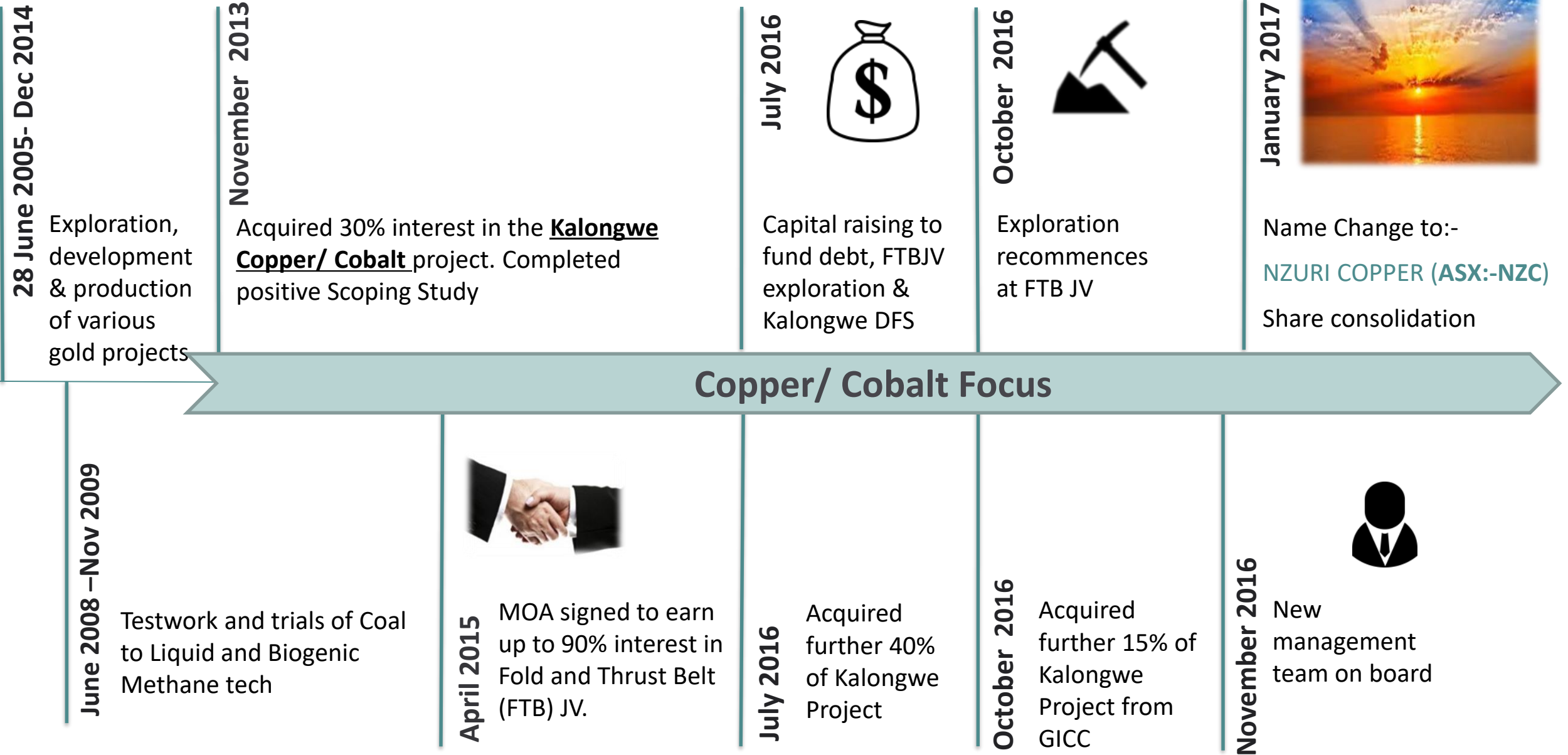
***Board and management are shareholders and financially motivated for NZURI to succeed***

\* Calculations are based on details as at 27/1/2017

^ Exercise prices range from 8c to 1.4c, Expiry dates range from 31/10/2017 to 14/11/2026.

# Company History

ASX :- Listed as RER 23 June 2005



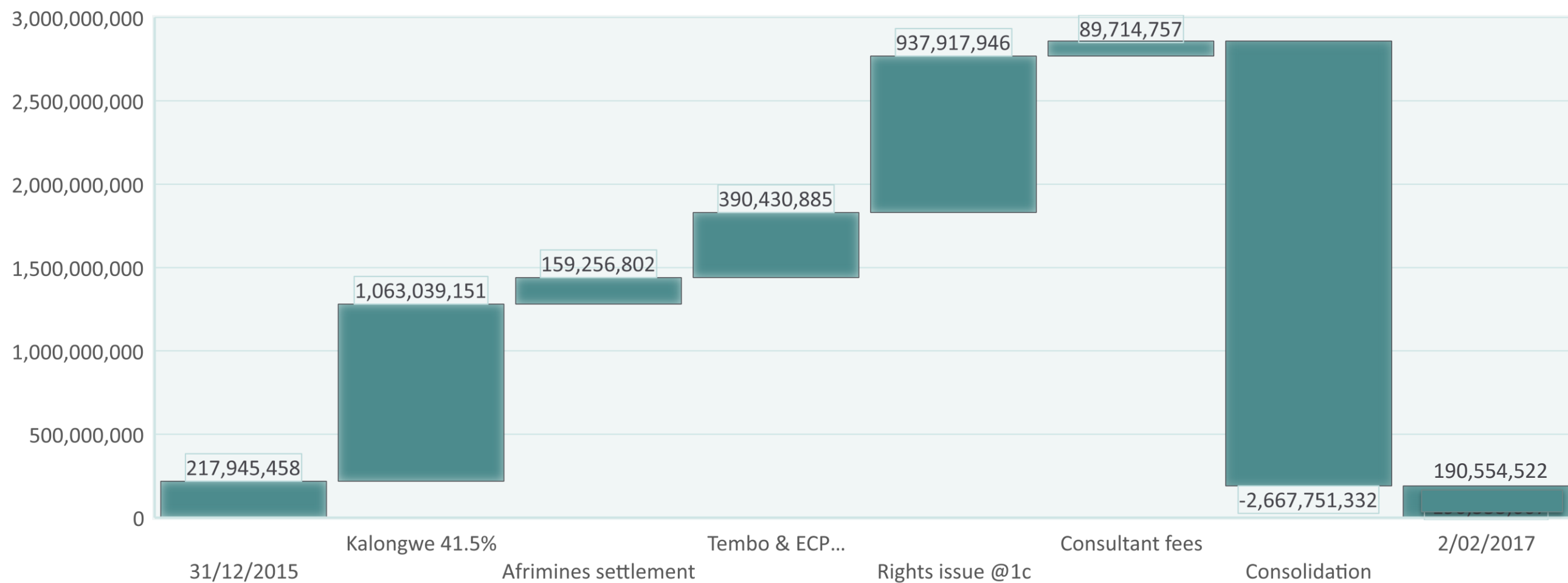
## Copper/ Cobalt Focus



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# Issued Share Capital

## ISSUED SHARE CAPITAL

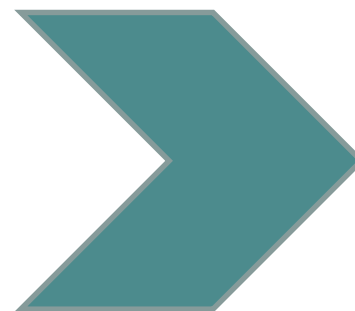
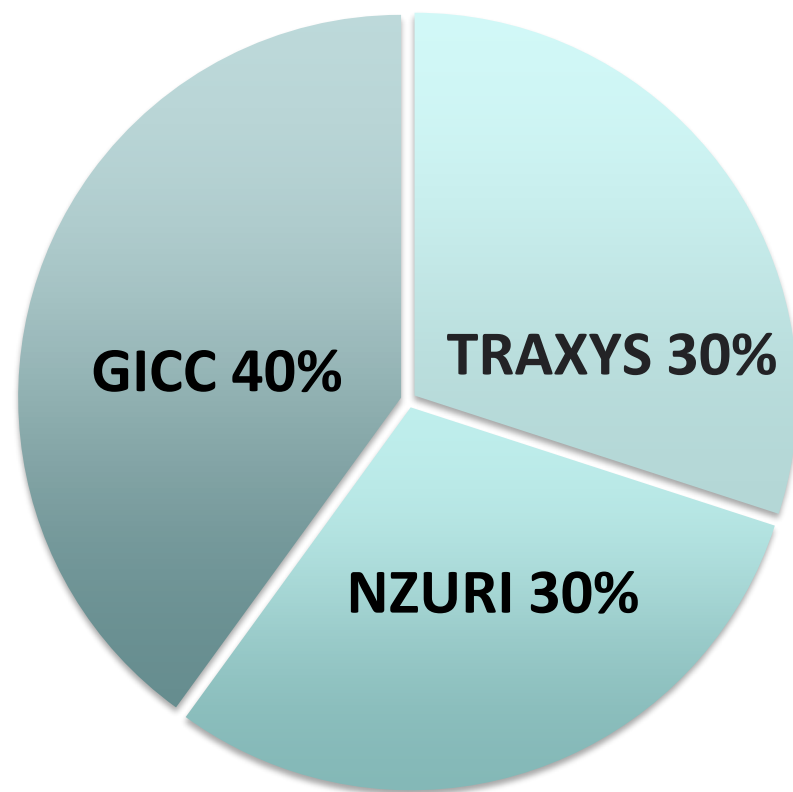




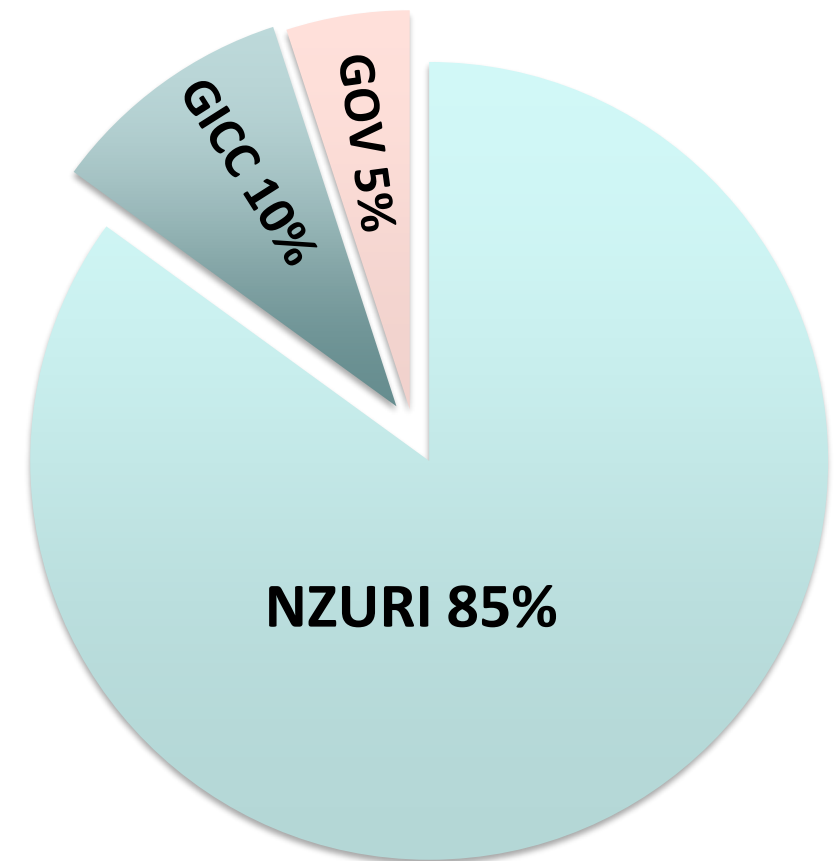
# Kalongwe Mining Ownership

*Large push by Nzuri in 2016 to streamline ownership of the Kalongwe Mining project to facilitate future development*

Share of Kalongwe Project  
31/12/2015



Share of KALONGWE Project  
31/12/2016



# Fundamentals – Supply/Demand

## *Why Copper and Cobalt ?*

- Market fundamentals for Copper are strengthening with demand widely forecast to overtake supply in the 2017-2020 period
- Huge electric car & battery push by major world manufactures

➡ *More Batteries & Wiring = greater demand for Cobalt and Copper !*





# Fundamentals African Copper Belt

## Why focus on the African Copper Belt ?

- The African Copper Belt is one of the **world's greatest Copper-Cobalt mining provinces**
- **Produced more than 50%** of the world's cobalt in 2015
- **Produced 10%** of world's copper in 2015
- **World-class Cu mines** being developed
- **High-grade sediment hosted** copper deposits – average of 2.50 – 5.00% Cu
- Vastly under-explored, **high discovery potential** of world class mineral deposits





# Kalongwe Mining Project

## *Nzuri's Kalongwe Project Snapshot*

<b>Quality Asset</b>	Robust high-grade Copper-Oxide, open-pit resource with strong cobalt grade
<b>Near Term Production</b>	Aiming to be 20,000tpa Cu & 2,900tpa Co producer by 2019
<b>Funding</b>	Strong Support from shareholder base to bring project into production
<b>Stakeholders</b>	Supportive JV Partner and Shareholders (Tembo, Traxys, Sprott & Ivanhoe)
<b>Ownership</b>	85% owned by Nzuri Copper with GICC & Government owning remaining 15%
<b>Metallurgy</b>	Ore deposit ideally suited to be processed by HMS & HL, <u>proven and effective technologies</u>
<b>Development</b>	Option for low CAPEX early start-up mining operation followed by Staged Heap Leach operation
<b>Exploration</b>	Upside within Project Area and significantly the JV Area.
<b>Management</b>	New team with in-country experience and proven development track record in West Africa.







# Kalongwe Deposit - Resource

***JORC Mineral Resource of 302,000t Copper and 42,700t Cobalt with High-grade Co zones inside the Cu resource (see Appendix 1)***

Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
<b>Total Cu &amp; Co Domains</b>	3.31Mt @ 3.61 % Cu	5.83Mt @ 2.55 % Cu	2.03Mt @ 1.70% Cu	11.17 *	2.70	0.27*	302,000	29,700
<b>~80% oxide ore</b>								
<b>Total Co Domains</b>	0.37Mt @ 0.66% Co	1.52Mt @ 0.58% Co	0.40Mt @ 0.43% Co	2.29	-	0.57	-	13,000

1. Cu only domains were reported by selecting blocks with Cu  $\geq$  0.5%.
2. Co only domains were reported by selecting blocks with Co  $\geq$  0.2%.
3. Mixed domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu  $\geq$  0.5%. The Co grade from these blocks was also recorded.
4. It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample assays. Therefore Cu and Co grades are diluted.





# Kalongwe Ore Suited for Processing

*Recent test work indicates ore ideally suited for Upgrading by HMS, Heap Leach SX-EW processes.*

- Extraction of acid soluble copper was 98% of theoretical within 4hrs, Co recovery was similarly fast with 90% recovery in 2hrs
- *HMS (only) achievable concentrate grades and recovery are given below*

## HMS Up to month 25

Grade (Cu %)	Cu Recovery (% ROM)	Cobalt (Co %)
10	65	1.4
15	60	2.1
20	58	2.5

## HMS Month 25 to 45

Grade (Cu %)	Cu Recovery (% ROM)	Cobalt (Co %)
10	68	0.8
15	62	1.7
20	55	1.6

## HMS Month 45 on

Grade (Cu %)	Cu Recovery (% ROM)	Cobalt (Co %)
10	62	0.2
15	56	0.3
20	44	0.3

SX-EW



# Kalongwe – Key Fundamentals

## *Project Development Criteria*

Kalongwe Cu-Co Parameters	
Cu Production Target	25ktpa
Co Production	2.9ktpa
Throughput	Nominally 1.0Mtpa
Stage 1 - Mine Life	5.3 years
Stage 2 - Mine Life <small>(inc stage 1)</small>	8+ years (under evaluation)
Mining Method	Open Pit
LOM Strip Ratio	1 : 1.7 - 2.4
Processing philosophy	Dense media separation with a Stage 2 HL/ SX-EW
Product/s	10-20% <b>Cu</b> Concentrate c/w approx. 2% <b>Co</b>
Access to Market	45km to Kolwezi, 350klms to Lubumbashi
Assumed Cu price (US\$/lb)	\$2.50 (\$5,500/t)

*Scoping Study indicated robust economics*



# Kalongwe – Marketing Upside

*Recent Metallurgical test work has illustrated that:-*

- Based on current test work, products will have extremely low leachable impurities, which will have significant economic benefit to the purchaser in reduced reagent consumption in both the copper and cobalt production ie:-
  - *Low gangue acid consumption, which will give a direct saving in acid and reductant costs in the leach*
  - *Low total iron and aluminium will reduce the cost of reagents in the iron precipitation step ie Limestone/ Lime/ Oxidant/ Flocculant etc*
  - *Low leachable silica will have a similar reduction on iron precipitation reagent consumption*
  - *Low manganese and zinc will have reduced reagent consumption in the cobalt precipitation step ie MgO, Power for drying & Flocculant*
- The low Mn and Z will reduce/eliminate cobalt product impurity penalties





# Great Access to In-country Offtake

## *Well located:-*

- Lubumbashi to Kolwezi 300km's of high quality sealed tarmac
- Kalongwe within 45km's of Kolwezi



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# Kalongwe – Road to Production

## Project Timeline As of Today:-

Description	2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DFS																
Drill extra sample/s																
HL testwork																
Fund raise for DMS																
DMS/ SXEW Design																
Early works																
Build DMS Project																
Build HL/ SXEW																

Aggressive  
DMS Build



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# Kalongwe Summary

## *At Present:*

- ***Robust based on Measured & Indicated*** JORC Mineral Resource Estimate
- ***Open pit*** mining operation
- ***Simple*** mining and beneficiation process

## *Going Forward:*

- ***Significant opportunities to further enhance the Project economics***
- ***Potential Stage 2 SX-EW*** will provide opportunities to extend mine life
- ***Definitive Feasibility Study*** - Commenced

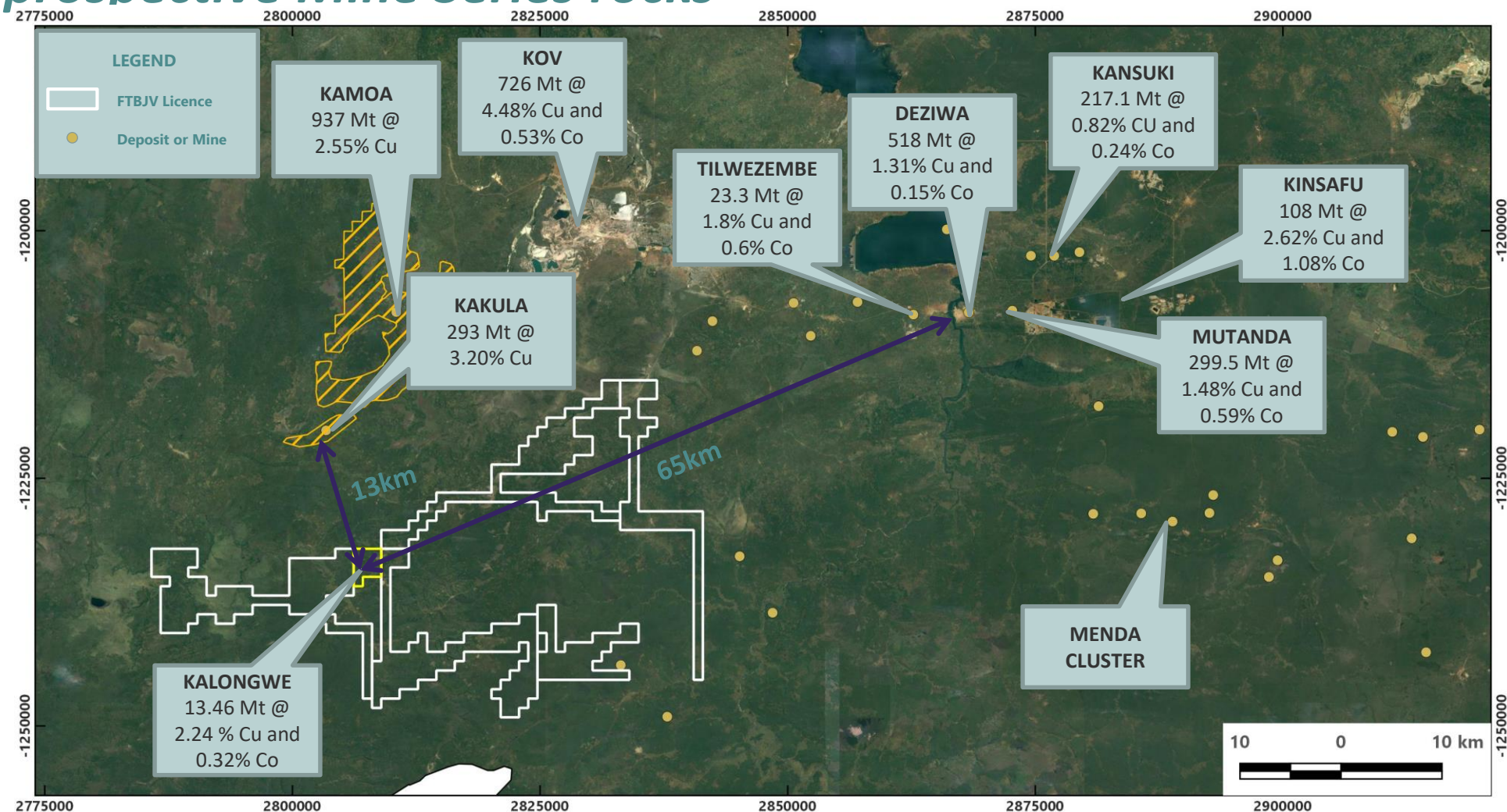




# Growth Strategy- The Ivanhoe JV

*The large tenement package is contiguous with NZC's Kalongwe Permit and hosts several targets on the prospective Mine Series rocks*

- **Nzuri and Ivanhoe Mines signed JV**
- **Nzuri** has ability to acquire a 98% interest
- **Area of ~334km<sup>2</sup>** in a highly prospective part of the western Katangan Copperbelt
- Proximity to **World-Class mines** and deposits with historic production
- Existing **infrastructure** development



# Summary of Ivanhoe Earn-In Agreement

## *Fold and Thrust Belt Joint Venture (FTBJV)*

Project Area 398 Carres 334.1km<sup>2</sup>

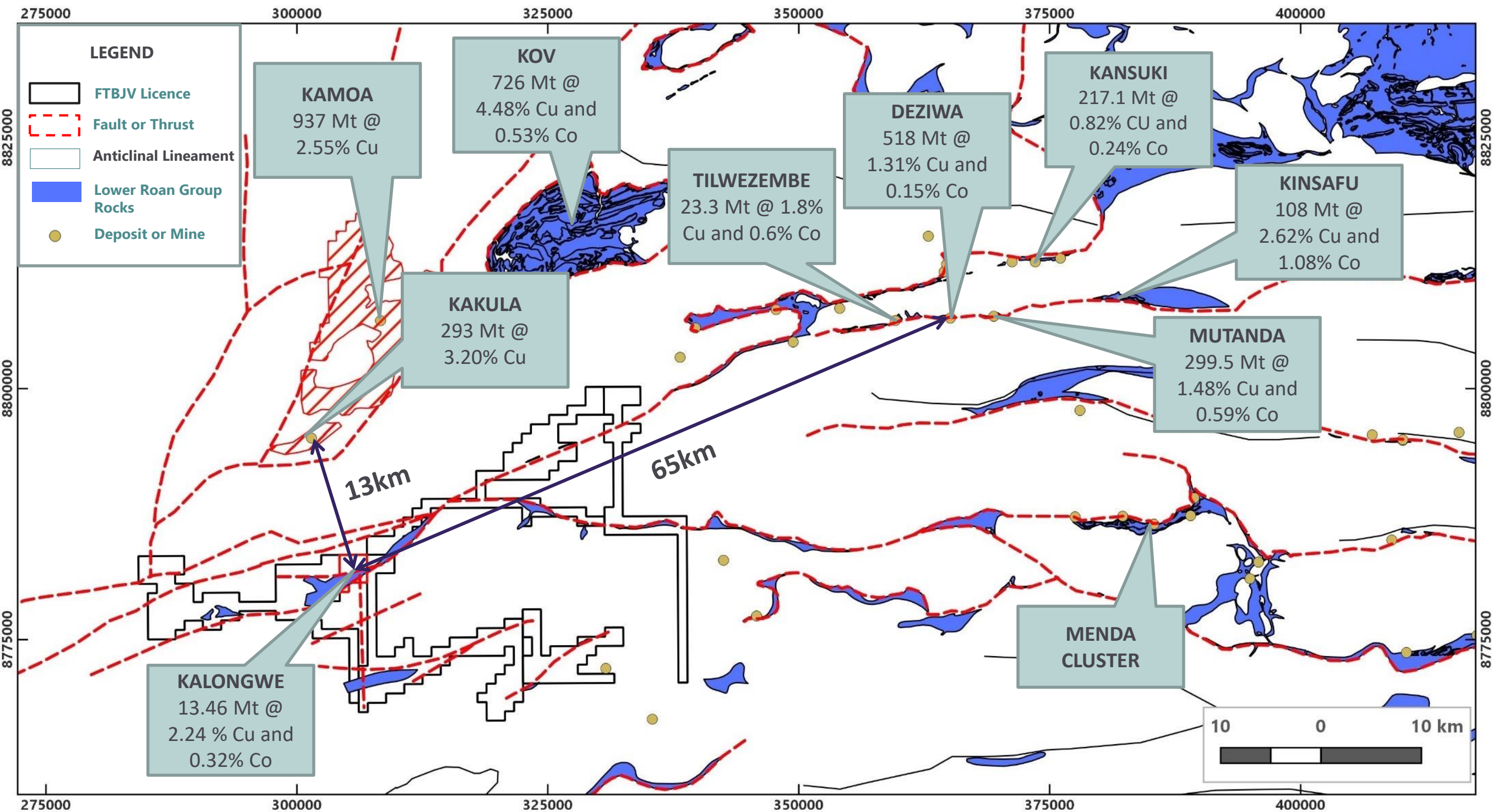
1	1 <sup>st</sup> sign fee	On signing the agreement, Nzuri paid the Company a fee of US\$100,000
2	2 <sup>nd</sup> sign fee	On or about 1 July 2016, Nzuri paid the Company a fee of US\$150,000
3	1 <sup>st</sup> earn-in (80%)	Nzuri may earn an 80% interest in the FTBJV by sole-funding US\$3 million by no later than 1/7/19
4	2 <sup>nd</sup> earn-in (90%)	Nzuri may earn an additional 10% interest in the Project by sole-funding an additional US\$3 million by no later than 2 years after it completes the first earn-in.
5	Ivanhoe Op (98%)	If Nzuri earns a 90% interest, the Owners have the option to transfer $\geq 8\%$ of its interest to Nzuri. The price for this Option will be agreed by the parties. If this Option is exercised, the Owners' remaining 2% interest will be free-carried.
6	Claw-back	Within 1 year of either:- Nzuri has earned a 90% interest; or Nzuri announces on ASX a measured and indicated resource in excess of 500,000 tonnes of contained copper and this resource estimate relates to discoveries within the Project that have or are proposed to be converted into mining licenses. Ivanhoe may on 60-180 business days' notice, elect to claw-back up to a 30% interest in the Project. The purchase price will be 4 times the total earn-in expenditure incurred by Nzuri. This purchase price is to be scaled back on a pro-rata basis if less than a 30% interest is clawed-back.



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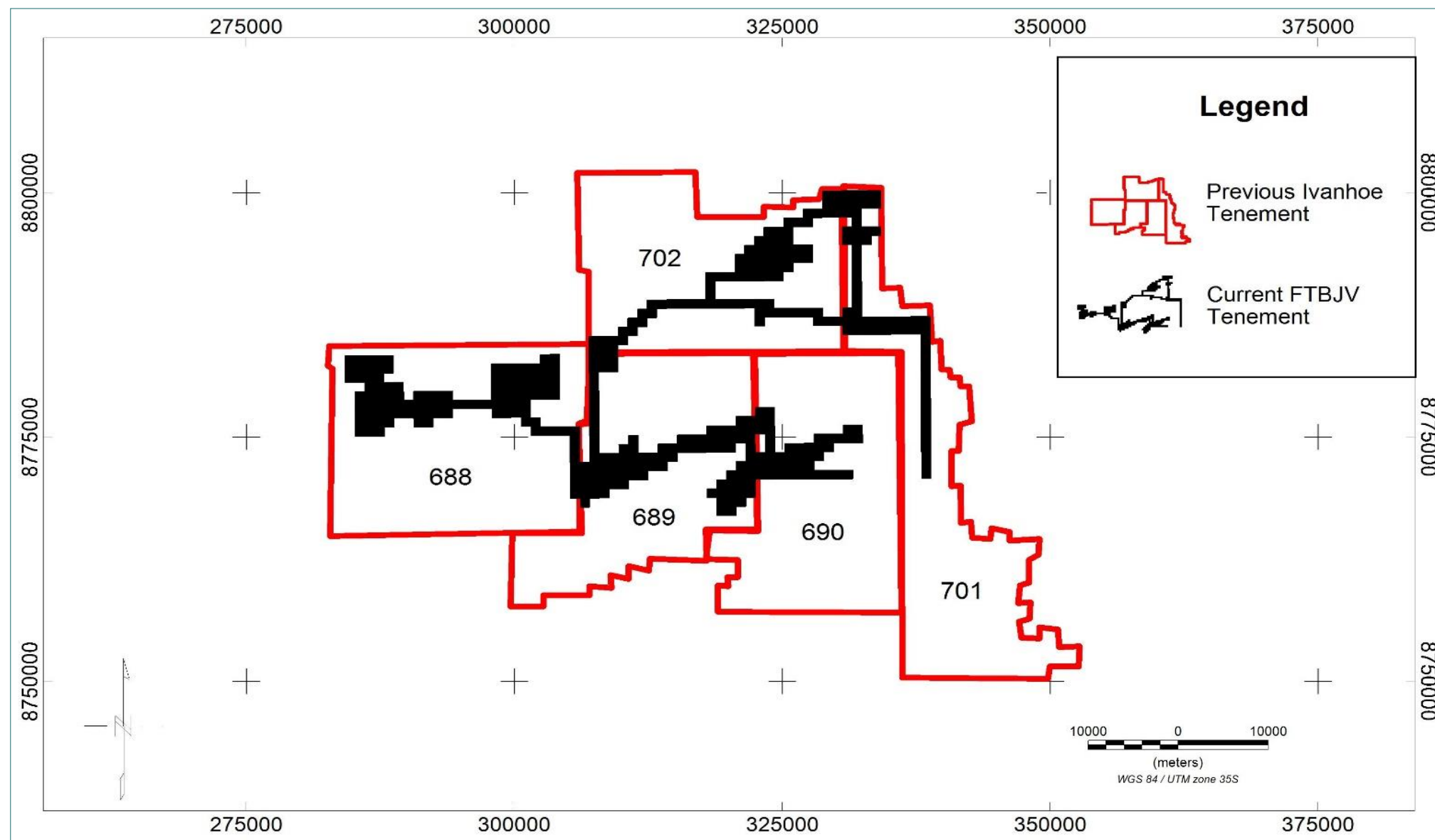
# Proximity To World Class Mines





# FTBJV Ground

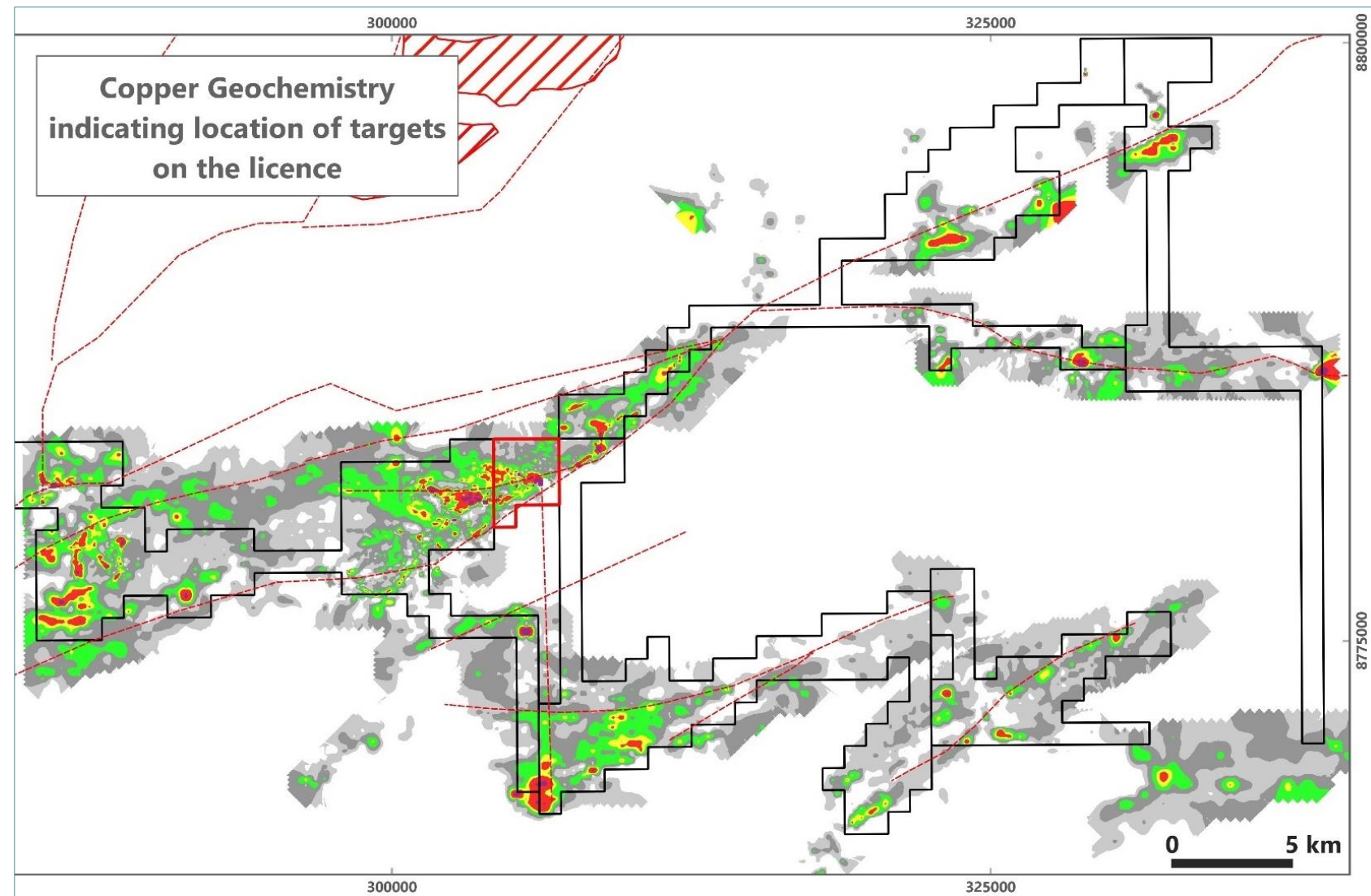
*Substantial relinquishment of ground by Ivanhoe has resulted in ~334 km<sup>2</sup> licence area with exceptional exploration potential*



# Exploration Licence is Target Dense

## *Abundance of prospective targets*

- Twenty two (x22) prospective targets on 334km<sup>2</sup> licence.
- Comprehensive **database** from Ivanhoe to assess and rank targets.
- *Model based on Roan stratigraphy exposed on Anticlinal lineaments known to host Supergene Cu-Co deposits to the East*
- Contains **strike extension** of structures/geology hosting **Kalongwe**.
- **Exploration programme** is now underway.

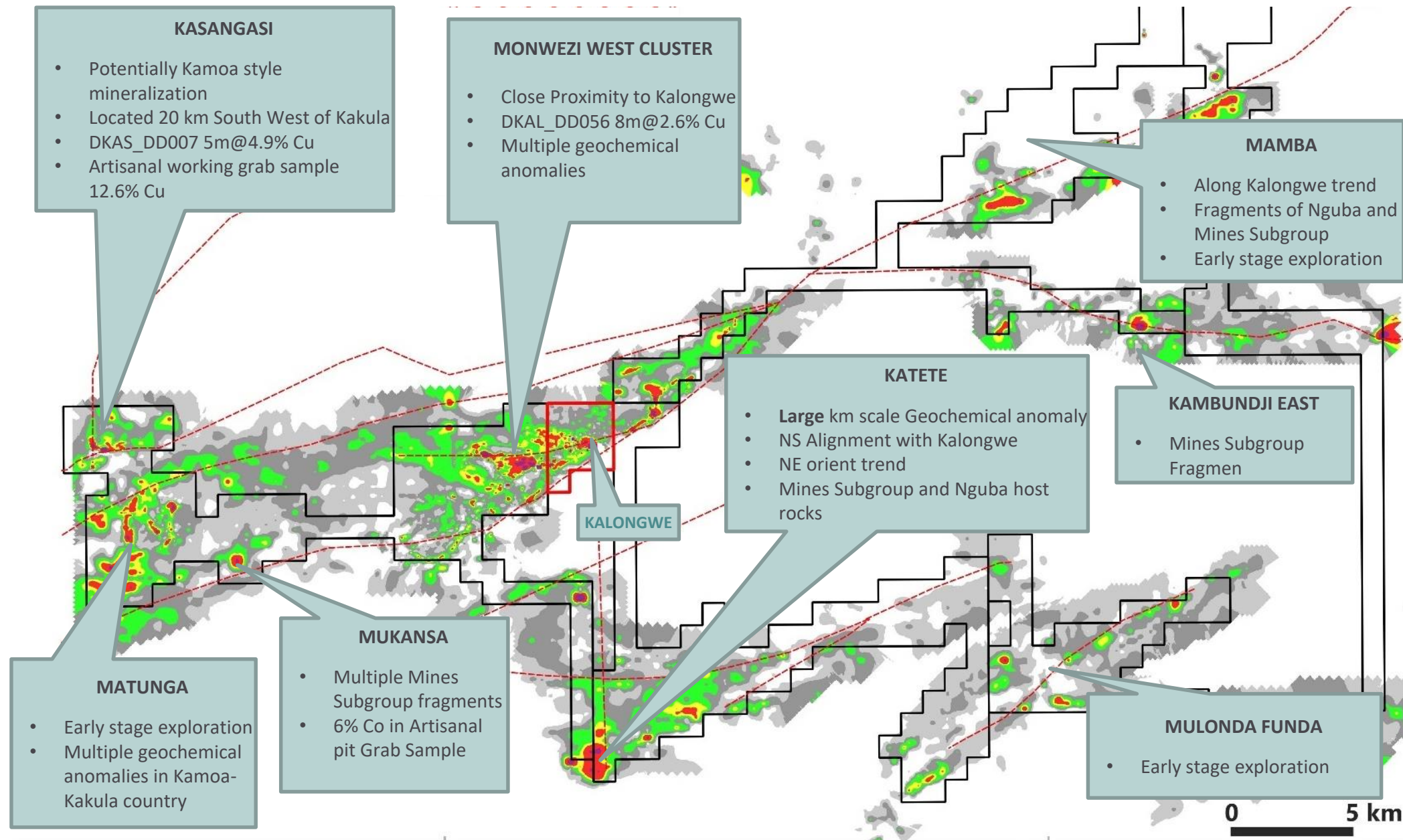




# Exploration - Outstanding Targets

## Top 10 Targets

Priority	Target Name
1	Kasangasi
2	Kambundji
3	Monwezi 3
4	Katete
5	Monwezi 2
6	Monwezi 7
7	Mukansa
8	Mamba
9	Matunga
10	Mulonda Funda





# Exploration - Recent Field Activity

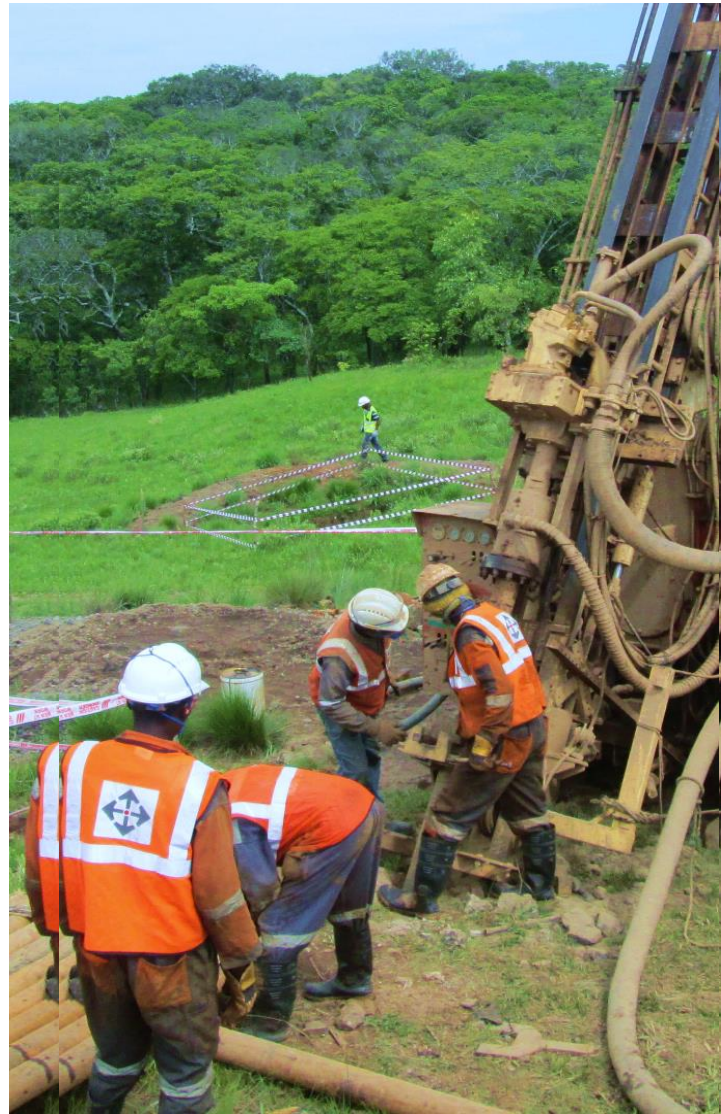
*Active field programme delivering results*



*Mapping*



*Trenching*



*RC Drilling*



*RC Chip Sampling*



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# Recent Drilling - Kambundji

## *Exploration programme delivers first mineralised intercepts*

- Mines Series fragment with Copper mineralisation at surface.
- Depth continuity of surface mineralisation was tested with an RC Drill programme in December 2016.
- Four holes drilled for 336m excluding one hole which failed
- Two holes intersected mineralisation at the classic Congolese Copperbelt lower ore body position

## *Work programme: Geochemical exploration to the west of drilled area to extend strike*

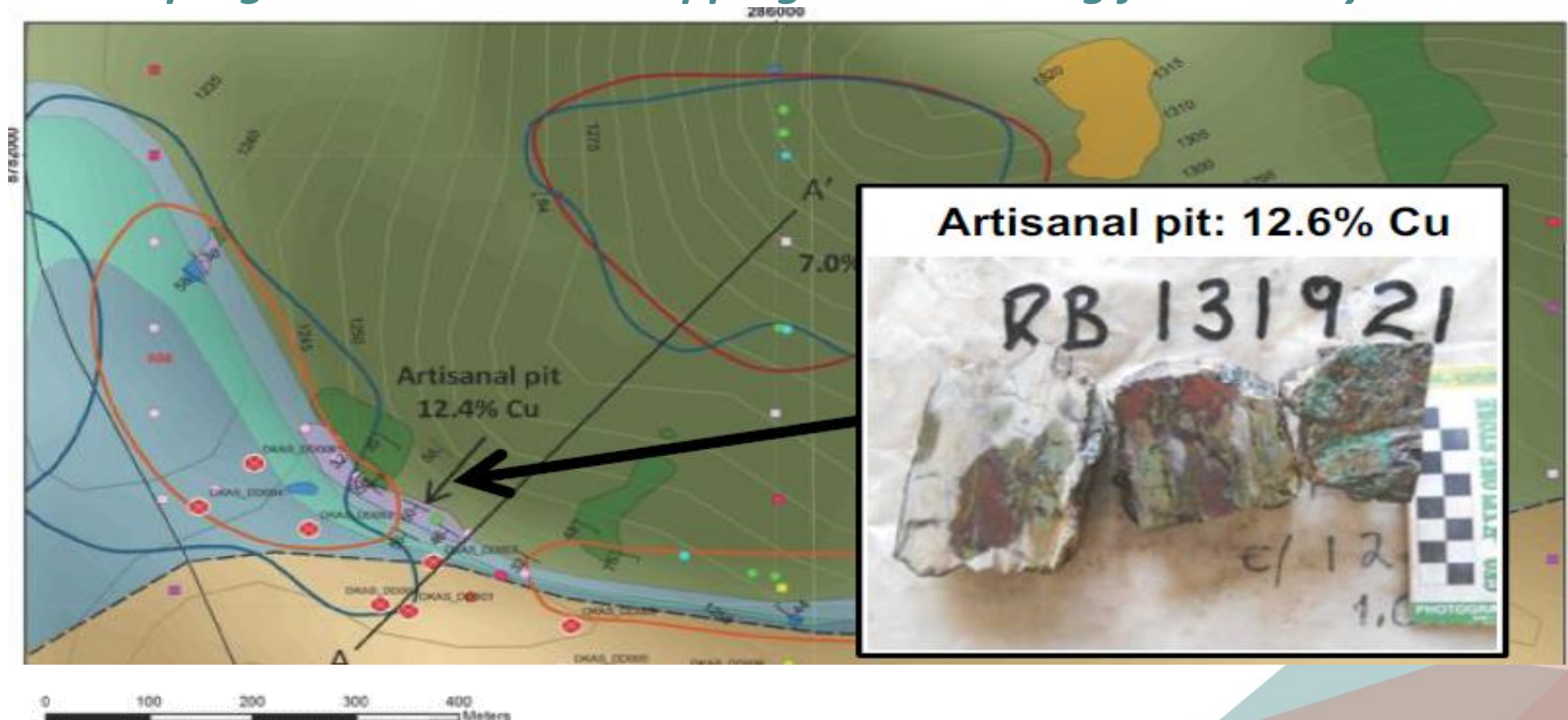


# Exploration Potential - Kasangasi

## *Highest Potential Target*

- Located 20km south west of Kakula (Ivanhoe)
- Field Reconnaissance trip identified mineralisation in lower Grand Conglomerate Formation, .....the same stratigraphic position as Kamoia and Kakula
- High grade rock chip samples of up to 12.6% Cu
- Drilled in 2007 reporting 5m @ 4.9% Cu

*Work programme includes mapping and trenching followed by drill testing*



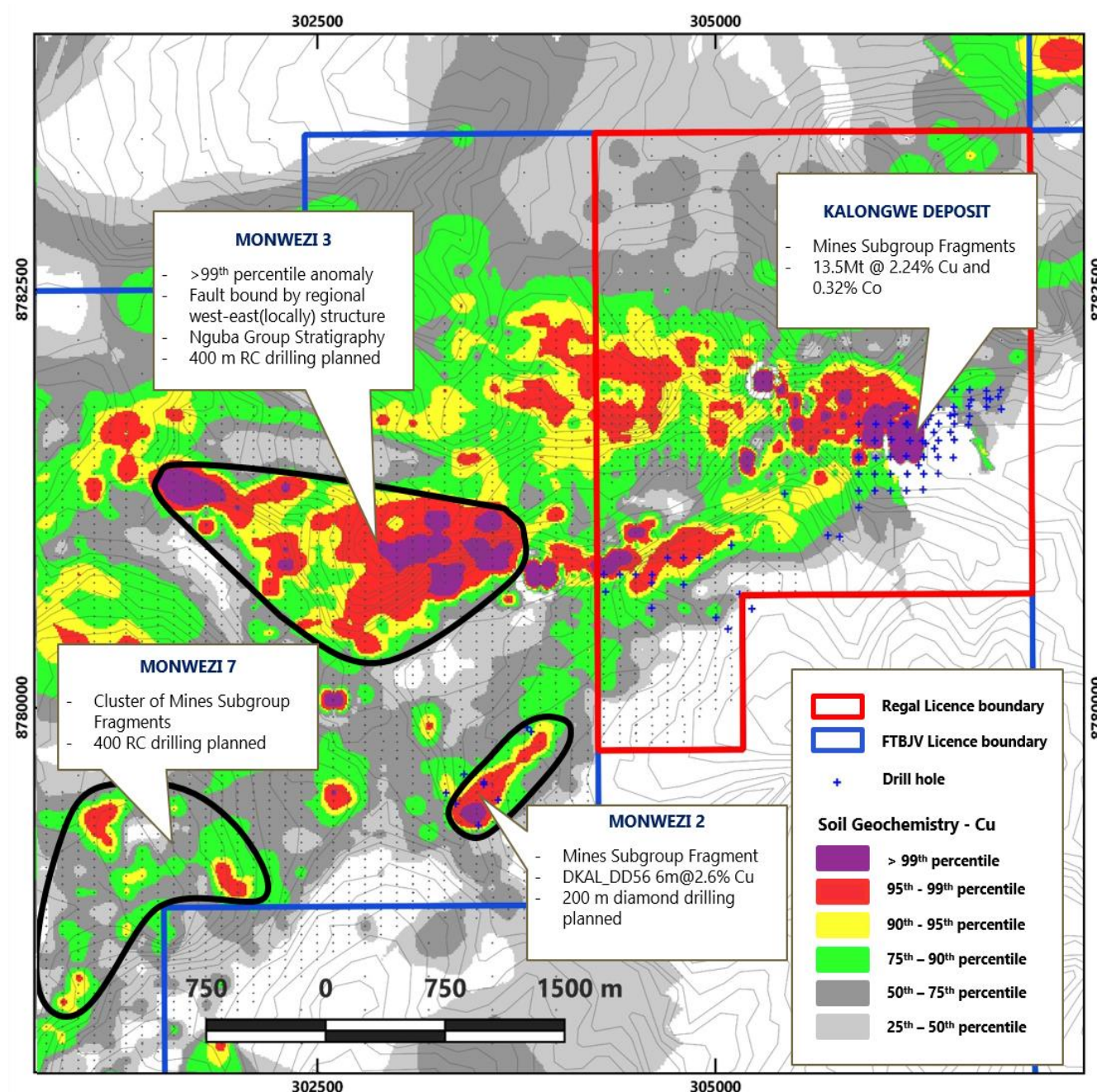
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# Exploration - Monwezi West Cluster

## Drill Ready

- Contains **strike extension** of structures hosting **Kalongwe** with potential to extend Kalongwe LOM
- Four strong geochemical anomalies occur west of Kalongwe from 1km to 5km away. The status of each are included below
  - Monwezi 3: 600m trenching complete in 2016/17 and drill programme has now been finalised. Ready for drill testing
  - Monwezi 2: Mines Subgroup fragment with drill intercept of 6m @ 3.6% Cu.
  - Monwezi 7: Cluster of small Mines Subgroup fragments. Drill ready



*Programme consisting of RC and DD to commence in April 2017*



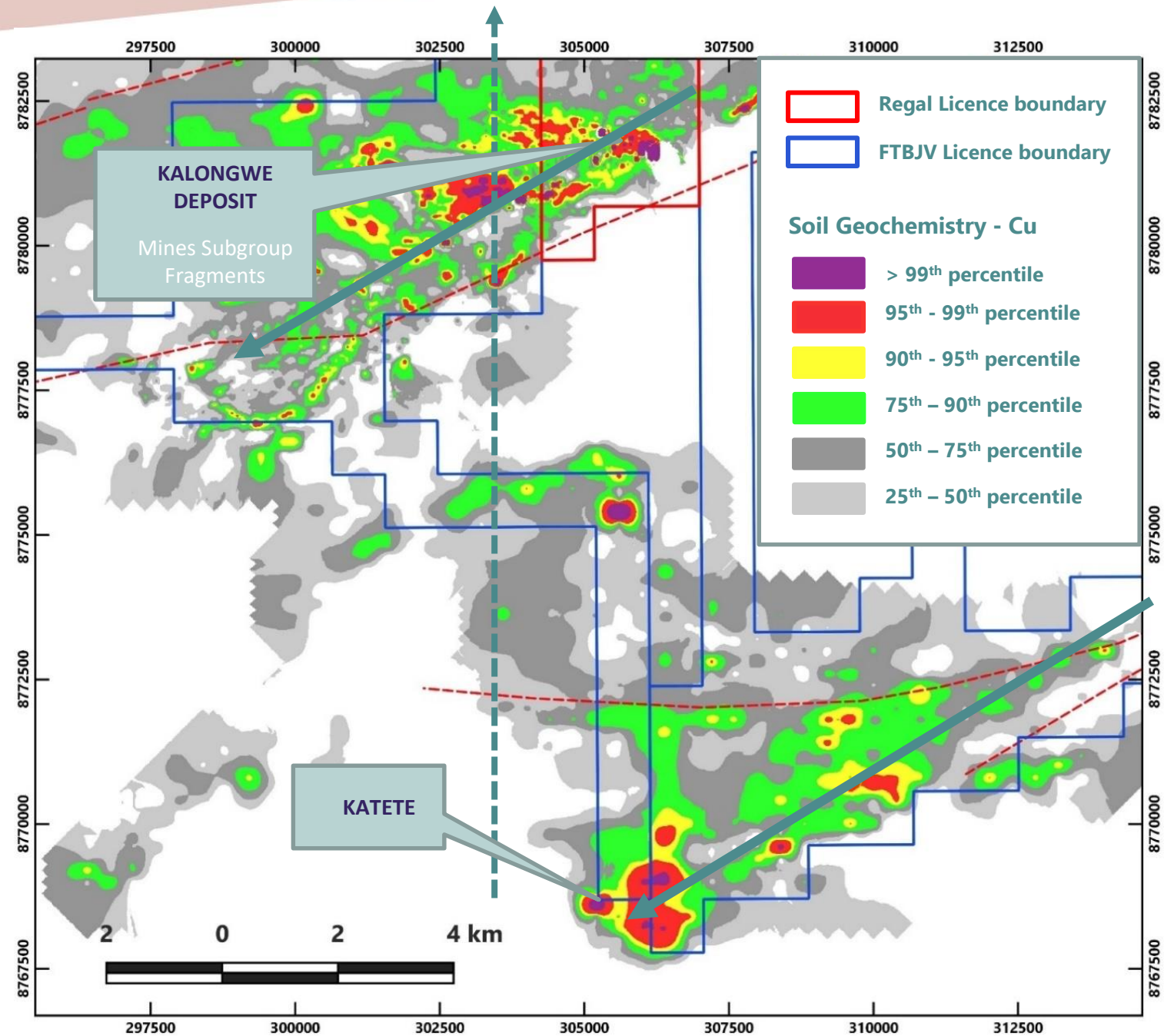
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# Exploration - Katete





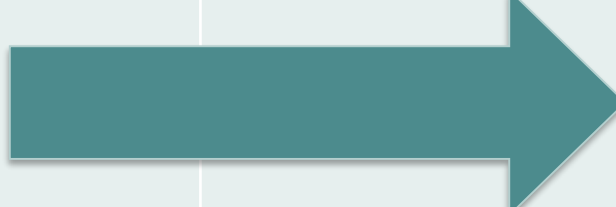
## *Large Deposit Potential*

- Large NS oriented anomaly
- Located at the intersection of known NE anticlinal lineament and NS trend aligned with Kalongwe
- Mwashya and Nguba Stratigraphy
- Successfully validated existing data
- Grab sample results (awaiting assays)
- Trenching to improve geological understanding to enhance drill targeting
- Drill test at the start of the 2017 dry season.



# Exploration - 2017 Program

## Aggressive 2017 exploration program

Works	Area	Qty	Q1	Q2	Q3	Q4
Trenching/ Pitting	Kalongwe Monwezi Katete Kasingasi	6,300m				
Establish Access Tracks	Kalongwe Monwezi Katete Kasingasi	30km				
RC Drilling	Monwezi Katete	1,200m RC				
Diamond Drilling Metallurgical Test samples Geotechnical Drilling Hydrology Exploration	Kalongwe Kalongwe Kalongwe Monwezi Kasingasi	5,700m DD				
Fieldwork	Kasingasi Mul-Funda Matunga Kambundji East					

*6,900m of drilling planned for 2017*



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# APPENDIX 1 – KALONGWE CU-CO PROJECT MINERAL RESOURCE ESTIMATE

As per ASX Announcement 5 February 2015:

Weathering profile	Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
Oxide	Cu Only <sup>1</sup>	1.24Mt @ 3.35% Cu	2.45Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	4.94	2.37	-	117,200	-
	Mixed <sup>3</sup>	2.07Mt @ 3.76% Cu	1.67 Mt @ 2.72% Cu	0.35Mt @ 1.98% Cu	4.08	3.19	0.66	130,000	26,800
Primary	Cu Only <sup>1</sup>	-	1.20 Mt @ 2.65% Cu	0.41Mt @ 1.63% Cu	1.61	2.39	-	38,400	-
	Mixed <sup>3</sup>	-	0.51 Mt @ 3.06% Cu	0.03Mt @ 2.22% Cu	0.54	3.02	0.52	16,400	2,800
	Total Cu Domains	3.31Mt @ 3.61 % Cu	5.83 Mt @ 2.55 % Cu	2.03Mt @ 1.70% Cu	11.17	2.70	*0.27	302,000	29,700
Oxide	Co Only <sup>2</sup>	0.37Mt @ 0.66% Co	1.34Mt @ 0.59% Co	0.38Mt @ 0.43% Co	2.09	-	0.57	-	11,900
Primary	Co Only <sup>2</sup>	-	0.18Mt @ 0.53% Co	0.02Mt @ 0.43% Co	0.2	-	0.52	-	1,000
	Total Co Domains	1.24Mt @ 3.35% Cu	2.45 Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	2.29	-	0.57	-	13,000

**Notes:**

- The Cu only domains were reported by selecting blocks with Cu  $\geq$  0.5%.
- The Co only domains were reported by selecting blocks with Co  $\geq$  0.2%.
- The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu  $\geq$  0.5%. The Co grade from these blocks was also reported.

\*It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample assays. Therefore the reported Cu% and Co% grades are diluted, where they are reported in the other domains.



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# Disclaimer & Competent Person Statement

**Disclaimer:** The purpose of this presentation is to provide background information to assist in obtaining a general understanding of the Company's proposals and objectives. This presentation may contain some references to forecasts, estimates, assumptions and other forward looking statements.

Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

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All references to dollars (\$) and cents in this presentation are to US currency, unless otherwise stated.

**Competent Person Statement:** Scientific or technical information in this release that relates to Exploration Results has been prepared by Dr Peter Ruxton, the Company's Technical Director. Dr Peter Ruxton is a Member of the Institute of Materials, Minerals & Mining (MIMMM) and a Fellow of the Geological Society of London (FGS) and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Dr Peter Ruxton consents to the inclusion in this report of the Information, in the form and context in which it appears.

The information in this document relating to the Kalongwe Cu-Co Deposit resource estimate is extracted from the Company's ASX announcement entitled 'Upgraded JORC Resource at Kalongwe 302,000t Copper and 42,700t Cobalt' dated 5 February 2015 and is available to view on [www.nzuricopper.com.au](http://www.nzuricopper.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

