NZURI
COPPER LIMITED

MEDIA
ASX RELEASE

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EXPLORATION UPDATE - FTBJV PROJECT

The Directors of Nzuri Copper Limited (**ASX: NZC**) ("Nzuri" or "the Company") are pleased to advise that the first results for the 2016/2017 rock chip sampling and initial drilling programme at the Fold and Thrust Belt Joint Venture (**FTBJV**) project have been received.

Following a review of previous exploration work and data, completed in the third quarter of 2016, reconnaissance field visits to all prospects were undertaken for the purpose of field data validation.

The exploration programme was developed and commenced with an RC drilling programme at Kambundji East and rock chip sampling at the other prospects.

Significant recent results include:

- Kambundji, DKJI_RC002, 6 m at 1.15% copper from 27 m
- Kambundji, DKJI_RC002, 8 m at 3.87% copper from 38 m
- Kambundji, DKJI_RC005, 18 m at 1.84% copper from 42 m
- Kasangasi, Rock chip sample M6531 with 7.10% copper
- Kasangasi, Rock chip sample M6533 with 6.58% copper
- Kasangasi, Rock chip sample M6535 with 7.68% copper
- Monwezi, Rock chip sample M6452 with 0.41% cobalt
- Katete, Rock chip sample M6973 with 0.4% cobalt

The work described in this update is an initial work programme on the prospective targets identified in the Companies FTBJV licence. A summary of the key exploration targets on the JV licence is shown in Figure 1.

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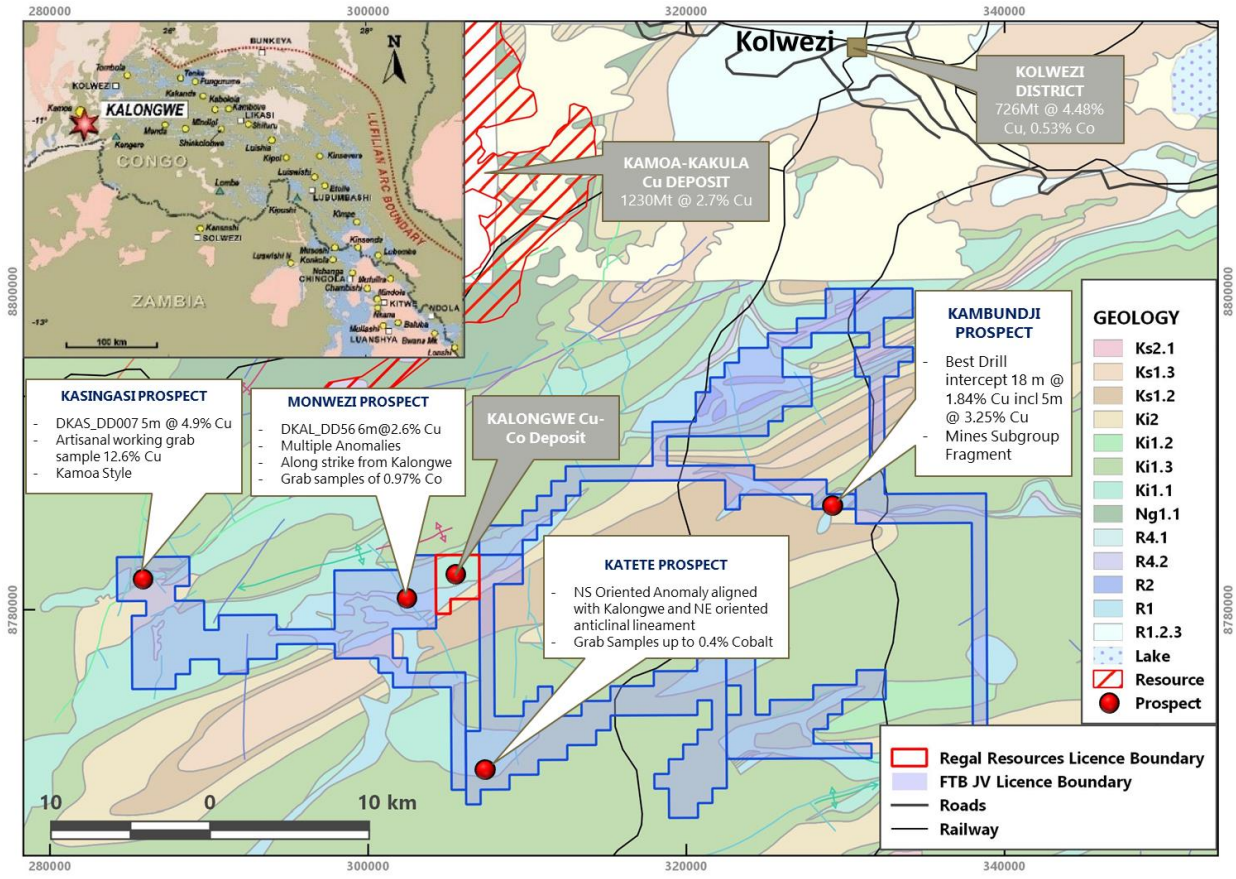

Figure 1: Location of the FTBJV licence and significant exploration targets on the licence.

The following activities were undertaken at the various targets:

Kasangasi Prospect

The reconnaissance visit to the prospect area revealed copper mineralisation in shale within the Grand Conglomerat Formation (Ki1.1) near a faulted contact with the Dipeta Subgroup (R3.1). The mineralisation is considered indicative of potential for Kakula/Kamoa style mineralisation.

Ten rock chip samples from two artisanal pits were collected where visible copper mineralisation is exposed in the form of malachite. These samples returned results ranging from 0.02 % Copper to 7.68% Copper which has validated previous high grade analyses from this area. The results are shown in Table 1.

The Kasangasi target undoubtedly warrants further exploration and features strongly in the 2017 planned exploration programme.

Monwezi West Prospect

The Monwezi prospect coincides with the south westwards extension of the Kalongwe Diapir which is host to the Kalongwe Mineral Resource hosted by Mines Subgroup rocks. Three significant anomalies have been identified for follow-up work at Monwezi, these include Monwezi 2, Monwezi 3 and Monwezi 7, but the area is also considered prospective for additional targets.

Extensive soil geochemical, rock chip and mapping datasets obtained from Ivanhoe are associated with these anomalies and have been successfully validated through mapping and rock chip sampling. A total of 41 rock chip samples submitted for laboratory analysis confirmed broad anomalism, particularly cobalt anomalism (Table 1).

The rock chip samples are being followed up with trenching, initial results are positive and drilling is planned on these targets.

Katete Prospect

Geological mapping and rock chip sampling has validated the soil, rock chip and pitting results identified by Ivanhoe. 175 rock chip samples were collected for multi-element geochemical analyses to improve the geological understanding of the target. None of these results exceeded the reporting criteria (see appendix 4: balanced reporting) except for M6861 and M6973 which reported over 0.1% Co.

Field work has defined areas of hematite alteration associated with quartz-hematite veining and brecciation associated with low grade copper anomalies in rock and soil samples. This is believed to be indicative of oxidising fluids moving along fluid conduits transporting copper in solution.

Exploration is focussed on identifying redox trap sites within the system where Copper-Cobalt precipitation occurred. Three trenches are currently being excavated with completion expected in Q1, 2017.

Table 1: Selected analyses of rock chip samples collected from the Kasangasi, Monwezi and Katete Prospects

Prospect	Sample ID	Easting	Northing	Lithology	Co %	Cu %
Kasangasi	M6529	285654	8781585	Shale	0.00	1.20
Kasangasi	M6531	285654	8781585	Shale	0.00	7.10
Kasangasi	M6533	285662	8781573	Shale	0.00	6.58
Kasangasi	M6534	285662	8781573	Shale	0.01	3.07
Kasangasi	M6535	285662	8781573	Shale	0.02	7.68
Monwezi 2	M6452	303490	8779469	Silicified stromatolitic dolomite	0.41	0.03
Monwezi 2	M6454	303871	8779809	Silicified stromatolitic dolomite	0.18	0.02
Monwezi 7	M6474	301452	8779114	Siliceous shale	0.17	0.03
Katete	M6861	301797	8775003	Quartz hematite vein	0.11	0.20
Katete	M6973	306342	8769226	Quartz hematite vein	0.40	0.25

Kambundji East Drill Programme

A drilling programme was completed on 24 December 2016 prior to the onset of the peak rainy season. Four RC holes were drilled for 336 metres and were designed to test for depth extensions as well as grade and tenor of the classic Congolese Copperbelt style stratiform mineralisation hosted within Mines Subgroup rocks which was mapped at surface (see ASX announcement on 24 April 2015 for further details).

The positions of the drill holes are shown in Table 2.

Table 2: Location of the RC holes drilled at the Kambundji East Prospect.

Hole ID	East	North	RL	Dip	Azimuth	Max Depth	Comment
DKJI_RC001	328911	8786567	1372	-65	220	72	
DKJI_RC002	328779	8786614	1382	-60	193	90	
DKJI_RC003	328815	8786612	1377	-60	180	90	
DKJI_RC004	328746	8786620	1376	-60	193		Borehole failed
DKJI_RC005	328746	8786623	1375	-60	190	84	Re-drill of DKJI_RC004
					Total drilled	**336**	

Results

The Company has received assay results from the holes described in Table 1.

Two of the four drill holes (DKJI_RC002 and DKJI_RC005) intersected visible copper mineralisation at the traditional Lower Ore Body position and proved depth extension of the mineralisation observed at surface.

Samples were submitted to ALS Minerals in Johannesburg for assay. Analyses have been completed and reviewed, giving the intercepts reported in Table 3.

Intercepts are reported as 'intersected widths' which are exaggerated by oblique intersection of drill holes through a sub-vertical mineralised zone. True widths are calculated assuming vertical mineralised bodies. Intercepts are included in Table 3.

Table 3: Mineralised intercepts.

Hole ID	Copper assay drilled intercept	Intercept true width	Comment
DKJI_RC002	6 m @ 1.15% Cu from 27 m to 33 m	3 m @ 1.15% Cu	No sample was recovered between 33 and 46 m and no intercept has been calculated for this zone. Within the reported intercepts sample recovery is only 52% due to sample loss caused by drilling difficulties below the water table. This is considered sufficient for the intended purpose of the hole, i.e. indicating the presence of Cu mineralisation. The data within this zone is not sufficiently reliable for a mineral resource estimation.
	8 m @ 3.87% Cu from 38 m to 46 m	4 m @ 3.87% Cu	
DKJI_RC005	18 m @ 1.84% Cu from 42 to 60 m, including 5m @ 3.25% Cu	9 m @ 1.84% Cu including 2.5 m @ 3.25% Cu	85% sample recovery

The company is pleased to have proven depth continuity of high grade copper mineralisation, the exploration programme on this prospect will focus on extending mineralisation along strike.

Collar plans and Cross Sections of the Kambundji East Drilling Programme are included in Appendices 1 and 2 respectively.

Enquiries regarding this announcement may be directed to:

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About the FTBJV project

The Company signed an MOU with Ivanhoe Mines Ltd (TSX: IVN, "Ivanhoe") to acquire up to a 98% interest in a package of five highly prospective tenements, covering an area of approximately 350 km^2, contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC.

The arrangement with Ivanhoe is referred to as the Fold and Thrust Belt Joint Venture (FTBJV) project (see ASX announcement on 22 April 2015 for further details).

The FTBJV project, which is managed by the Company, covers an area of the western Lufilian Arc, a fold belt that contains the world largest cobalt endowment and some of the richest copper deposits in the world.

The project area is considered to offer high-quality exploration targets and exploration over most of the ground is at a greenfield stage.

Competent Persons 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 Metals, Minerals and 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 they are 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.

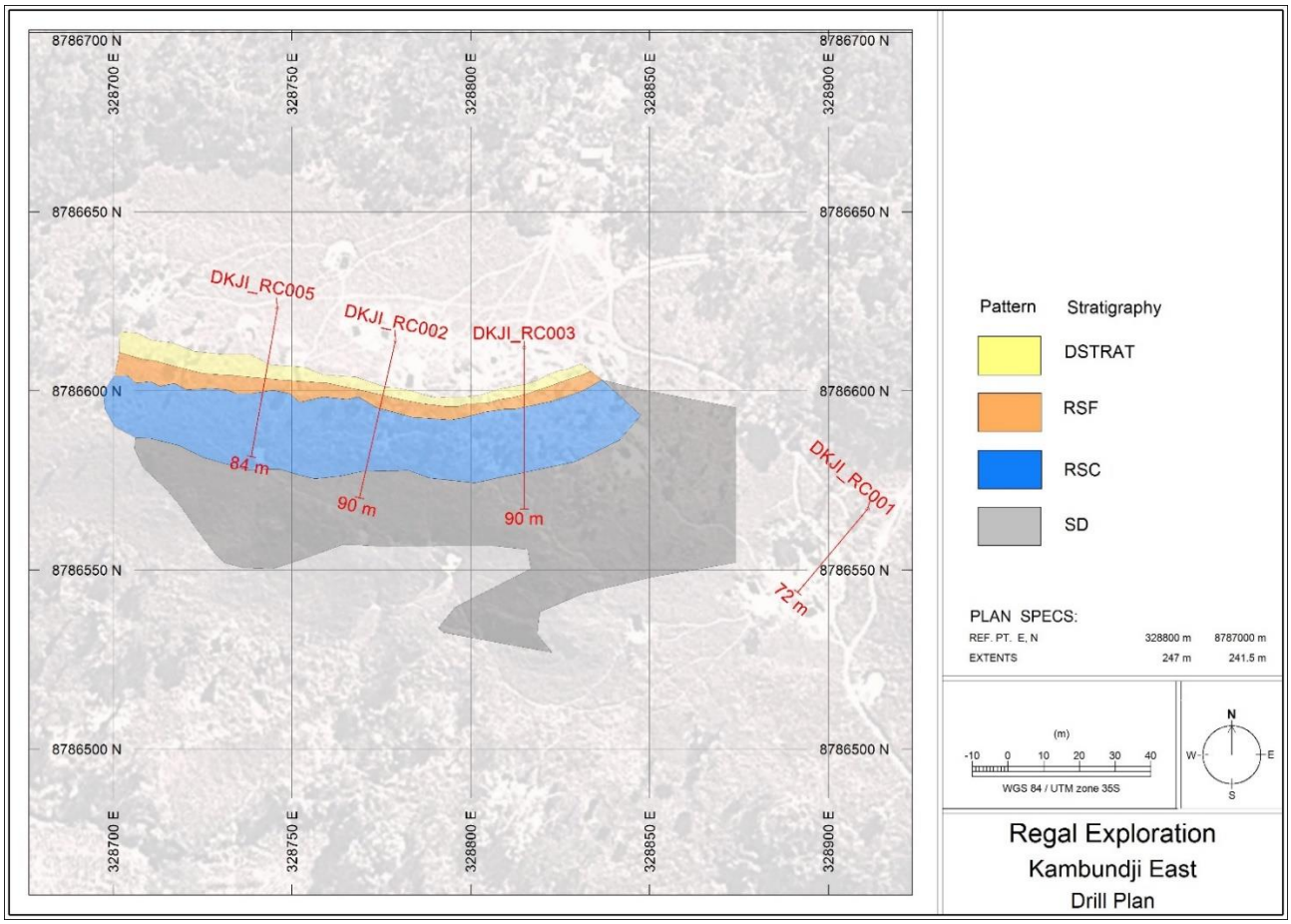
Forward-looking Statements

This release 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.

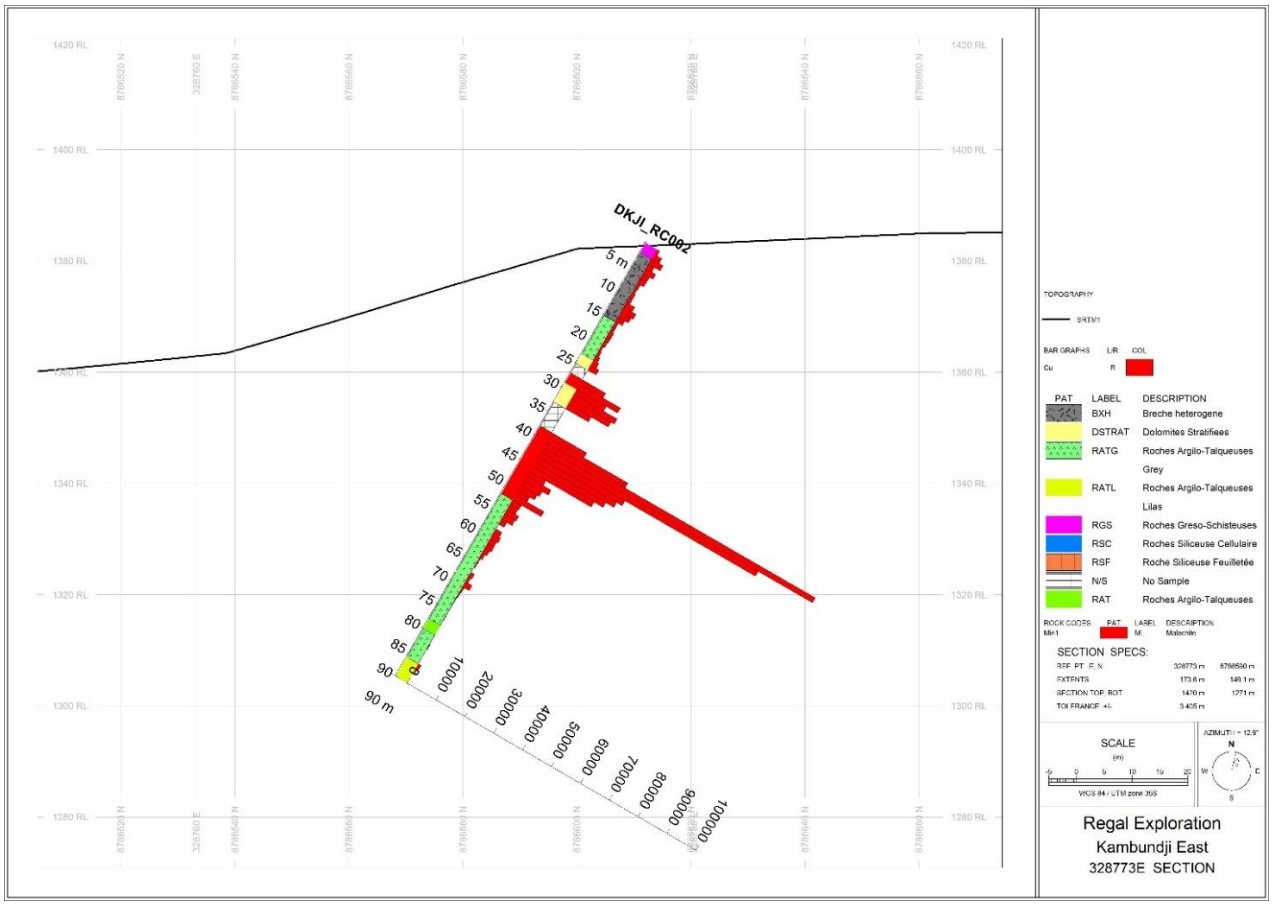
Statements in this release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

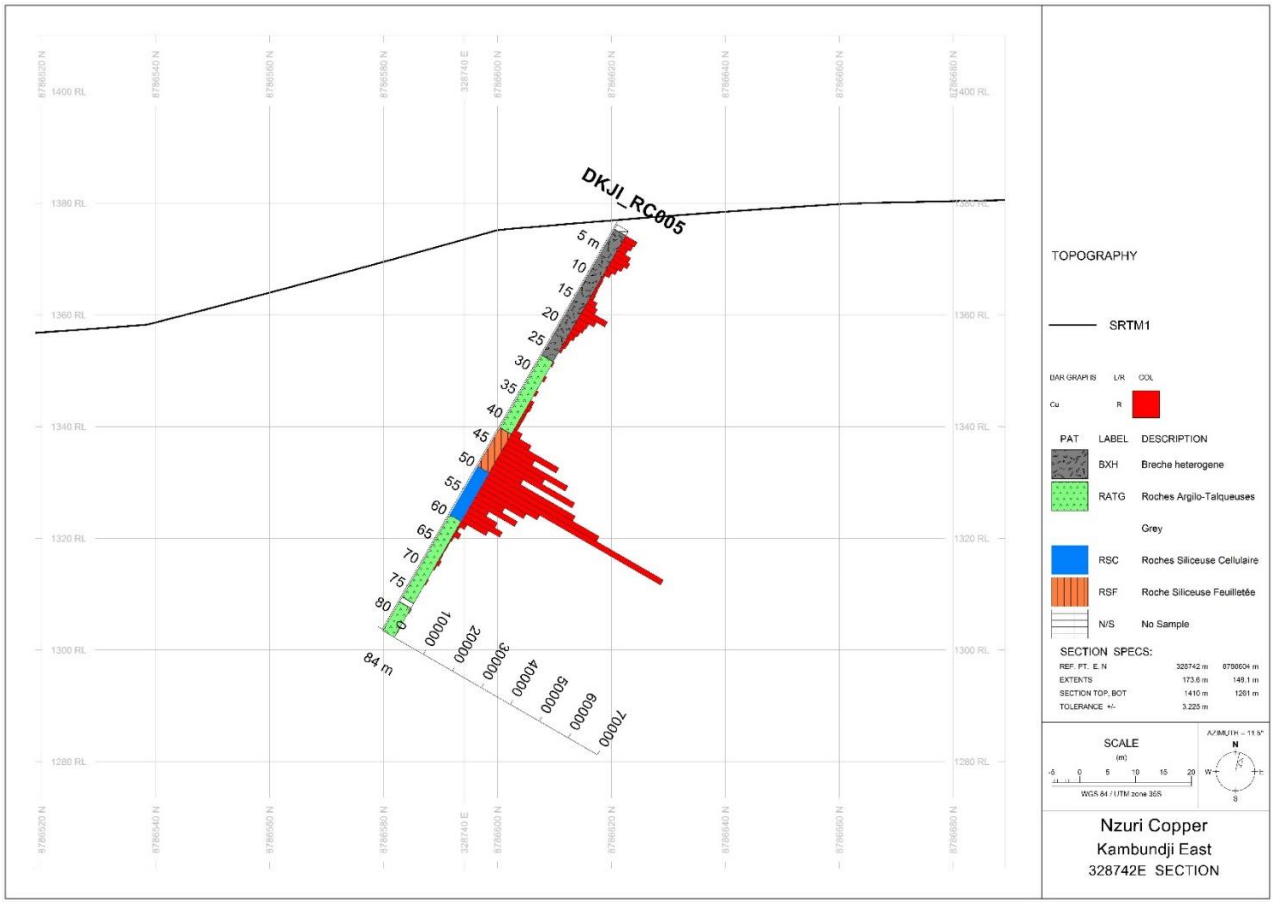
Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

Appendix 1 : Kambundji East Drill hole plan



Appendix 2: Kambundji East Drill Hole Section





Appendix 3: Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg, cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg, 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg, submarine nodules) may warrant disclosure of detailed information.	• Where rock chip sampling is discussed, samples were collected from outcrop exposure by chipping fragments from several positions from within a few metres of the sample location and being combined into one sample. • Reverse Circulation drilling was utilised to obtain 1 metre samples
Drilling techniques	• Drill type (eg, core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Reverse circulation (RC) drilling at 5.5 inch drill hole diameter.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Drill sample recovery was determined by weighing the sample recovered at the cyclone and calculating a theoretical expected recovery for the given rock type according to the drilled hole diameter.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All RC chips were logged for geological (lithology, mineralisation, alteration) according to the Nzuri Copper SOP. All data are stored in a database. • All RC chips were logged.

Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• All rock chip, pit or trench samples were crushed on site, sieved to <1 mm, the fine portion is cone and quartered to produce a ~300 g sample which is utilised for pXRF analysis. If the sample is selected for subsequent laboratory analysis the sample is rotary split at the laboratory to obtain a 250 g aliquot which is pulverised to 85% <75 µm prior to analysis. • RC samples recovered dry were riffle split at the drill site to achieve a final sample mass of between 2 kg to 3 kg. Two samples were prepared in this manner. • RC samples recovered wet were cone and quartered to achieve a final sample mass of between 2 kg to 3 kg. Two samples were prepared in this manner. • 5 % of the samples were prepared as field duplicates and were submitted to monitor between sample variability and laboratory assay precision. • Samples were submitted to the ALS Laboratory preparation facility Johannesburg, South Africa where the entire sample is crushed to <3mm and a 250 g aliquot is obtained using a rotary splitter followed by pulverising to 85% <75µm. Regular sizing checks were undertaken and reported. • Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometres, handheld XRF instruments, etc, the parametres used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie, lack of bias) and precision have been established.	• Samples were submitted to the ALS Laboratory preparation facility Johannesburg, South Africa where the samples were prepared and analysed. • The analyses included standard geochemical packages offered by ALS including four acid digest (sulphuric, nitric, perchloric and hydrofluoric) and ICP-AES finish for multi-elements. Over limit analyses for Cu and Co are undertaken where concentrations exceed 1000 ppm. This analysis is considered total for the elements and host minerals in this release. • QA/QC procedures include; a chain of custody protocol, the systematic submittal of 15% QA/QC samples including field duplicates, field blanks and certified reference samples into the flow of samples submitted to the laboratory.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections shown by RC drill results are calculated on an 0.5% Cu cut-off with a maximum internal dilution of 2 metres. • Intercepts are reported as both drilled and true width, the mineralised zone at Kambundji East is believed to be steeply dipping and drilled widths exaggerate the actual thickness of the mineralised zone. • Twinned holes are unnecessary for this stage of the exploration programme. • Data entry and verification is undertaken by MSA following an established protocol. • No statistical adjustments to data have been applied.

Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Hole collar locations were determined using a Garmin handheld GPS using the average location function. The holes will be surveyed by differential GPS prior to Mineral Resource estimation, should an estimate be undertaken. • No down hole surveys were collected for the RC drilling component of this exploration update. • The grid system for the project is UTM WGS84, Zone 35 South. • Topographical data is determined through the combination of SRTM satellite data at one arc-second resolution and average location collected by handheld GPS's.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• No resources are reported in this exploration update, however hole spacing is nominally 50 metres along strike. • Rock chip samples are randomly distributed where outcrop is encountered on the mapping traverse. • Resource or ore reserve estimation is not reported here. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drill hole intersections are oblique to the sub vertical mineralisation package
Sample security	• The measures taken to ensure sample security.	• An unbroken sample chain of custody was implemented, as follows: ➢ Plastic sample bags sealed and placed inside polyweave bags or boxes which are sealed with cable ties or taped closed ➢ Sample shipments examined on arrival at the laboratory and the sample dispatch form signed and returned with a confirmation of the security seals and the presence of samples comprising each batch.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No laboratory audits have been carried out during the 2016/2017 field season to date.

Appendix 4: Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• All results presented are located entirely within the Fold and Thrust Belt JV Project. The Company signed an MOU with Ivanhoe Mines Ltd (TSX:IVN, "Ivanhoe") in April 2015 to acquire up to a 98% interest in a package of five highly prospective tenements (PRs 688, 689, 702 and portions of PRs 690 and 701.), covering an area of approximately 350 km^2, contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC (see ASX announcement on 22 April 2015 for further details). • The exploration licence was renewed for a period of 5 years in January 2015.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Prior to the commencement of the JV project, Ivanhoe completed exploration on the licences. A comprehensive database containing the results of Ivanhoe's exploration undertaken from 2008 to 2013 was received and utilised for targeting. In the 4th quarter of 2016 a verification programme was undertaken which successfully validated the Ivanhoe data.
Geology	• Deposit type, geological setting and style of mineralisation.	• The project area is in the far west of the Outer Lufilian Arc in an arcuate-shaped belt of folds and thrusts that formed after the closure of the Katangan intra-cratonic basin. Two deposit models are being targeted: (i) strataform copper mineralization in Roan Group lithologies and (ii) secondary remobilization of the mineralization along structures.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ➢ easting and northing of the drill hole collar ➢ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ➢ dip and azimuth of the hole ➢ down hole length and interception depth ➢ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• See Tables in text of report. Assays are outstanding.

Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg, cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Intercepts are calculated on a length weighted basis. No upper limit has been applied to copper or cobalt grades in these exploration results. 0.5% Cu cut-off is applied and maximum internal dilution of 2 m is applied. • All metal grades reported are single element, reported in ppm or percentage units as is indicated.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg, 'down hole length, true width not known').	• True-widths estimated based on mineralisation geometry, assuming a sub-vertical geometry for Kambundji East. .
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps and sections are in the Appendix of the update
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Significant mineralised intervals have been reported for RC holes, these are stated above. The remainder of results are below the criteria. Selected rock chip samples have been reported which are above 0.5 % copper and 0.1 % cobalt, all other samples are below these criteria. The total number of samples analysed is reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• There is no outstanding exploration data considered material that has not been previously reported or is not contained within this report.
Further work	• The nature and scale of planned further work (eg, tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further work on the FTBJV project is summarised in the text above.