



19 May 2017

ASX: NZC

## **OPERATIONS UPDATE**

Nzuri Copper Limited (ASX: NZC) (Nzuri or the Company) is pleased to provide the following update on the Kalongwe Project and Fold Thrust Belt JV Exploration Project.

### **HIGHLIGHTS**

#### ***Kalongwe Project***

- **659m of pit Geotechnical diamond drilling completed**
- **80m (4 of 4) of diamond drill holes for river diversion design completed**
- **160m (1 of 4) of diamond drill holes for heap leach metallurgical testwork completed**
- **Drilling contract awarded and contractor mobilising 18/5/17 to drill Hydrological testwork bores**
- **Environmental and social works contract for the project and the new 28km access road awarded**
- **Feasibility Study (FS) for the Kalongwe Project is on track for completion during Q3 2017**
- **Lidar survey contract for the new access road design awarded**
- **Site security fencing tendered for installation 4<sup>th</sup> quarter 2017**

#### ***Fold and Thrust Belt JV Project***

- **Exploration drilling contracts awarded, RC drill rig mobilised 18/5/17 for the 7,000m program of RC & Diamond drilling**
- **36km site access track to enable exploration and related site activities completed**
- **1,200m of trenches and 352 pits excavated at Monwezi and Katete**
- **Construction of 40km of access tracks for further exploration activities commenced**

#### **Kalongwe Project**

Feasibility Study (FS) works for the Kalongwe Project are progressing as anticipated with completion scheduled for 3<sup>rd</sup> quarter 2017.

Key recent appointments include: -

- **BEEC** - Additional environmental / social works plus environmental and social impact assessment associated with new road corridor
- **Moors** - Water Bore drilling for FS
- **Southern Mapping** - Lidar Route survey for 28km all weather road corridor

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Works completed and underway include: -

- 739m of Pit & river diversion geotechnical diamond drilling has been completed for the FS as key feed-in to mine reserve calculation & diversion channel design
- 160m of the planned 600m of diamond drilling for the planned metallurgical testwork program has been completed, the aim being to generate 3.5 tonnes of sample material for a heap leach trial. Drilling for the Kalongwe FS is expected to be complete in June and the diamond drill rig will be utilised on the Fold Thrust Belt exploration targets thereafter
- Process plant design criteria, flow sheets, site layout and key specifications completed
- Key packages including the entire Dense Media separation plant/s, mining, crushing & concentrate bagging have been issued for pricing with quotes received
- Company-wide IT/Communications assessment undertaken with report due at the end of the month
- Drilling contract awarded and rig mobilising for Hydrological testwork associated with FS i.e. drilling of a production bore of 186m plus a monitoring bore of 156m adjacent to pit as part of FS hydrological assessment. Drilling is planned to commence on 20/5/17
- Awarded contract for additional environmental and social works on the project site plus the environmental and social impact assessment (EIE) associated with the planned 28km new access road corridor

Several capital works have been identified as being time critical and will be awarded prior to completion of the FS, these include: -

- Construction of a 28km all-weather 8m wide laterite road to site, with works anticipated to commence late in 3<sup>rd</sup> quarter 2017 (post environmental approval). Quotations for equipment hire have been received and a preliminary route is under evaluation
- Lidar survey contract awarded to *'Southern Mapping'* for the new permanent road and will be flown this month to enable final alignment
- 16km of site security fencing tendered with quotes received for installation 4<sup>th</sup> quarter 2017

#### **Fold and Thrust Belt Joint Venture Project**

Exploration drilling contracts have been awarded and drilling will commence on the 7,000m program of RC & Diamond drilling on the 20/5/17.

- *Drill Africa* - Diamond drilling for exploration program (post Geotech works)
- *Rubaco* - RC drilling for exploration program

Works completed and underway include: -

- An alternate new 36km site access track and three river crossings have been completed to facilitate exploration activities
- 1,200m of trenches and 352 pits have been excavated on two of the priority exploration targets in January and February which has allowed planning for drill holes at Monwezi and Katete targets
- Access tracks of 4.5km have been prepared to the Monwezi target area
- Additional geological team members recruited to support planned exploration program



- An RC drill rig was mobilised on the 18/5/17 to the Monwezi target. The drill programme at Monwezi includes 15 holes for 1,500m and is planned to test: -
  - *Geochemically anomalous Grand Conglomerate formation adjacent to the Kalongwe project*
  - *The west-east oriented thrust which is associated with soil anomalism, brecciation, hematite alteration and contains rocks capable of hosting mineralisation*
- Preparation of 40km of access tracks to the Katete & Kasangasi target areas has commenced with drilling at Katete expected to commence in June. The Kasangasi target remains a high priority target with further mapping, trenching and drilling planned for later in 2017

With access tracks now in place and further tracks being completed the Company looks forward to providing further regular updates on its current exploration campaign and progress with the Kalongwe Feasibility Study.

- END -

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**Pictures**



**Geotechnical Diamond Drilling at Kalongwe Pit**



**Kalongwe Geotechnical Core**



**Water Bore Casing & Rig Compressor on route to site**



**RC Exploration Rig mobilising to Monwezi target**





Site access track (before)



New 36km access track (after)



River crossing 1 (before)



River Crossing 1 (after)



River crossing 2 (before)



River Crossing 2 (after)