



10th November 2017

ASX: NZC

**FTBJV PROJECT EXPLORATION UPDATE**

**DIAMOND DRILLING COMMENCES AT KEY MONWEZI COPPER AND COBALT PROSPECTS AS AEROMAGNETIC SURVEY COMPLETED**

*Emerging Monwezi satellite prospects located within 4km of the Company's Kalongwe Cu-Co project, offers strong potential to define additional resources to underpin a Stage 2 expansion whilst also adding to Stage 1 mine life per the recently published Kalongwe Cu-Co project Feasibility Study*

**Exploration Highlights**

- **Diamond drilling commences at the Monwezi 2 target, located 2.5km directly along strike from Kalongwe, to follow up the 2007 Ivanhoe 8m @ 2.57% Cu intercept.**
- **Current indications are that Monwezi shares the same style of mineralisation as Kalongwe and represents a series of emerging satellite prospects located within economic haulage distance of the proposed processing plant.**
- **Current drilling at Monwezi 2 is aimed at validating the historical results and stepping out to test the extents of the mineralisation. Monwezi 2 offers potential to define additional resources which could extend the life of the Kalongwe Project beyond the current 7 years.**
- **Once drilling has been completed at Monwezi 2, the diamond rig will move to Monwezi 7, where significant zones of high-grade cobalt including 7m at 1.04% Co were recently intersected.**
- **Recent trenching at Monwezi 7 has identified significant visible cobalt mineralisation in a separate Mine Series fragment located 400m NW of the recently reported high-grade intercepts in DMON7\_RC02, confirming that the previous intercept in DMON7\_RC02 is more than an isolated intersection.**
- **Extensive airborne magnetic and radiometric survey now complete with 9,907line kilometres flown. Data processing underway to generate new exploration targets for 2018 field season.**

Nzuri CEO Mark Arnesen said: *“With the wet season now upon us, the focus of exploration within the FTBJV has shifted to diamond drilling of advanced copper and cobalt prospects within the Monwezi West cluster. These prospects include a compelling copper target at Monwezi 2, which was drilled historically by Ivanhoe, and the recently discovered high-grade cobalt mineralisation at Monwezi 7.*

*“Monwezi 2 shares a similar mineralisation style to Kalongwe and therefore represents a realistic opportunity to define a significant source of satellite ore feed to the processing plant at Kalongwe with the potential to extend the life of the project. Meanwhile, the exciting new cobalt discovery at Monwezi 7 is shaping up as a significant opportunity for the Company which could play an important role in our Stage 2 expansion plans.”*

Nzuri Copper Limited (**ASX: NZC**) (**Nzuri** or the **Company**) is pleased to provide a further update on its ongoing multi-pronged exploration program within the Fold & Thrust Belt JV (“FTBJV”), located within the Western Katangan Copperbelt in the Democratic Republic of Congo (DRC).

### **Monwezi Update**

The current focus of the exploration program has moved to testing advanced copper and cobalt targets within the Monwezi West Cluster, located ~2-4km along strike from the Company’s flagship Kalongwe Copper-Cobalt Project. These prospects are located within an economic haulage distance of the planned processing plant at Kalongwe and represent potential satellite resource development opportunities in the near term.

The diamond drill rig has commenced testing drill targets within the Monwezi West Cluster and will do so for the remainder of the wet season that runs from October through to March/April 2018.

Two areas have been selected for immediate diamond drill testing at the **Monwezi 2 target** (see Figure 1), to follow up on an historical Ivanhoe drill hole, DKAL\_DD056, which intersected **8m @ 2.57% Cu and 155ppm Co** (see Exploration Update, 20/06/2017).

After re-interpreting the orientation of this mineralised intersection, Nzuri is now undertaking a validation and step-out drilling programme.

Located within 2.5km of the planned Kalongwe operation and sharing the same style of mineralisation, Monwezi 2 offers an opportunity to add resources which could extend the Kalongwe mine life beyond the current 7-year plan.

### **Cobalt Follow-up at Monwezi 7**

Diamond drilling is also planned during November at the **Monwezi 7 target** (see Figure 1), where two recent RC drill holes DMON7\_RC01 and DMON7\_RC02 reported significant cobalt intercepts including **19m @ 0.48% Co**, and **7m @ 1.04% Co** (see Exploration Update 17/10/2017).

The objective of these drill holes will be to test the depth and potential strike extents of the cobalt mineralisation hosted within mines series fragments (ecaille) as well as testing for the presence of a copper-enriched supergene blanket at depth. Initial RC drilling at Monwezi 7 has been completed with the RC rig now demobilised with the onset of the wet season.

Trenching is also currently being undertaken at Monwezi 7 to expand the known cobalt targets ahead of drill testing. These trenches have already revealed significant zones of visible heterogenite mineralisation some 400m north-west of previous cobalt mineralised RC drill-holes (see Figure 2). Fieldwork has also indicated that additional potentially mineralised fragments occur between the known fragments.

Monwezi 7 has potential to become a significant cobalt deposit.

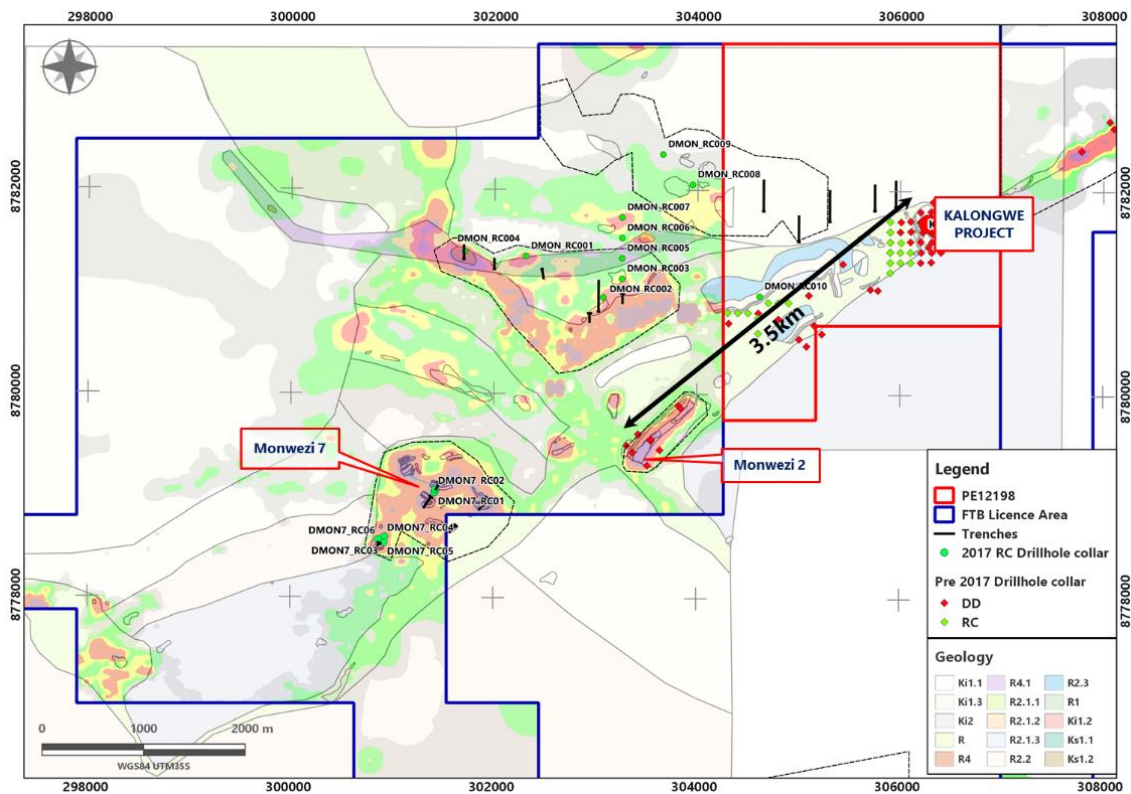


Figure 1: Map of the Monwezi West cluster showing the location of the Monwezi 7 and Monwezi 2 Targets, both contain prominent Cobalt soil geochemical signatures.

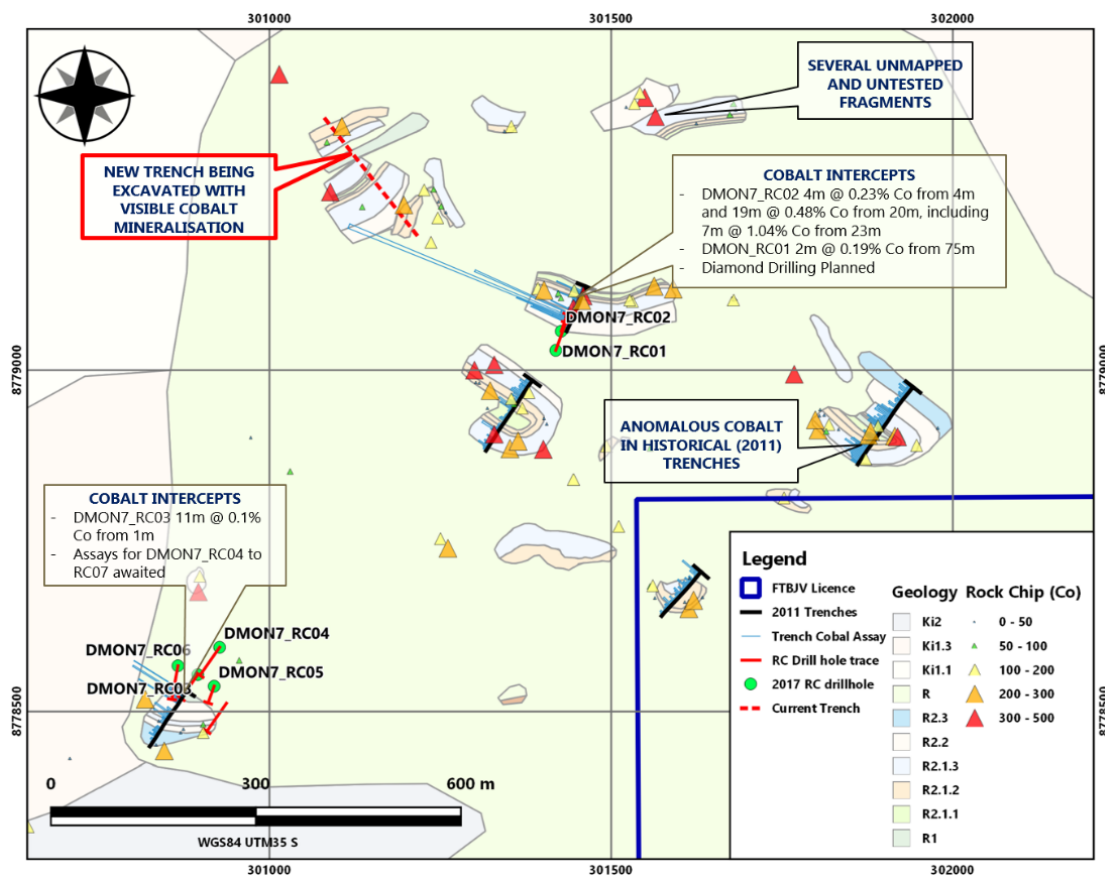


Figure 2: Location of current trench where visible cobalt mineralisation was intersected relative to previous drill intercepts.



Figure 3: Trenching at Monwezi 7



Figure 4: Sample of Cobalt mineralisation excavated in recent trenching at Monwezi 7

### **Kasangasi Update**

The exploration drill programme at the Kasangasi Target has been completed, with the planned drill metres achieved. The final total drilling at Kasangasi included 18 RC drill holes for 1,550m and six diamond drill holes for 692.5m. Geological logging and sampling of the final cores is underway and is scheduled for completion in the final week of November with assays expected to be received in December 2017.

Nzuri anticipates releasing the results of the Kasangasi RC drill programme and initial diamond drill holes DKAS\_DD10 and DKAS\_DD11 (samples currently being analysed at the laboratory) at the end of November and the remaining diamond drill-holes by end December 2017.

### **High-Resolution Aeromagnetic Survey**

The previously announced airborne magnetic and radiometric survey is now complete, with a total of 9,907 line kilometres flown (Figure 5). Data processing is underway after which an interpretation and target generation phase of work is planned (see exploration update 27/09/2017).

Nzuri is optimistic that the survey will generate a strong pipeline of targets for exploration and drilling in 2018.

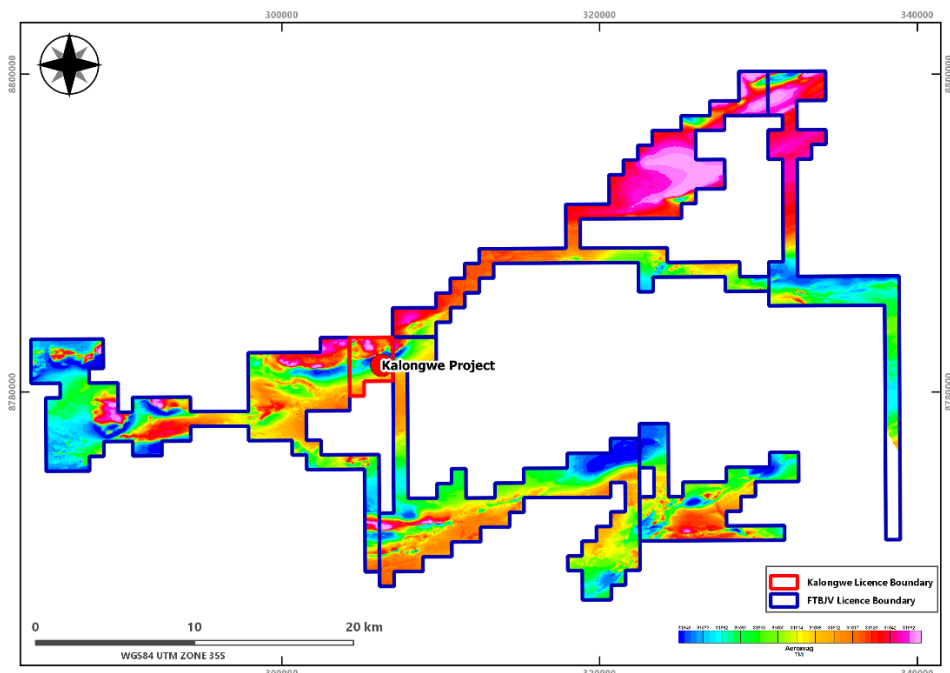


Figure 5: Preliminary Aeromag TMI Image demonstrating completion of the Aeromagnetic survey on the FTB Licence.

## Katete Update

A drill programme comprising eight RC holes for 1,042 m and three diamond holes for 839m was completed at Katete to test a co-incident geochemical and geophysical anomaly, 613 samples were submitted to the laboratory and the results have been received and have passed QAQC checks.

Assays were generally low with the best results reported from hole DKAT\_DD001, where a single sample reported a result of 2.2% copper with visible malachite and chrysocolla which is interpreted as a supergene enriched zone. An additional nine samples reported between 1,000ppm and 3,000ppm Cu where low-grade disseminated chalcopyrite occurs within dolomitic units or in quartz carbonate veins.

No further work is planned in the central portion of the Katete target where drilling took place, however a new target named **Katete East** has been identified which is located 4km to the north-east of Katete (see Figure 6). At Katete East, samples of outcropping Mines Series rocks have been collected and pits have been excavated to test for mineralisation, with assay results awaited.

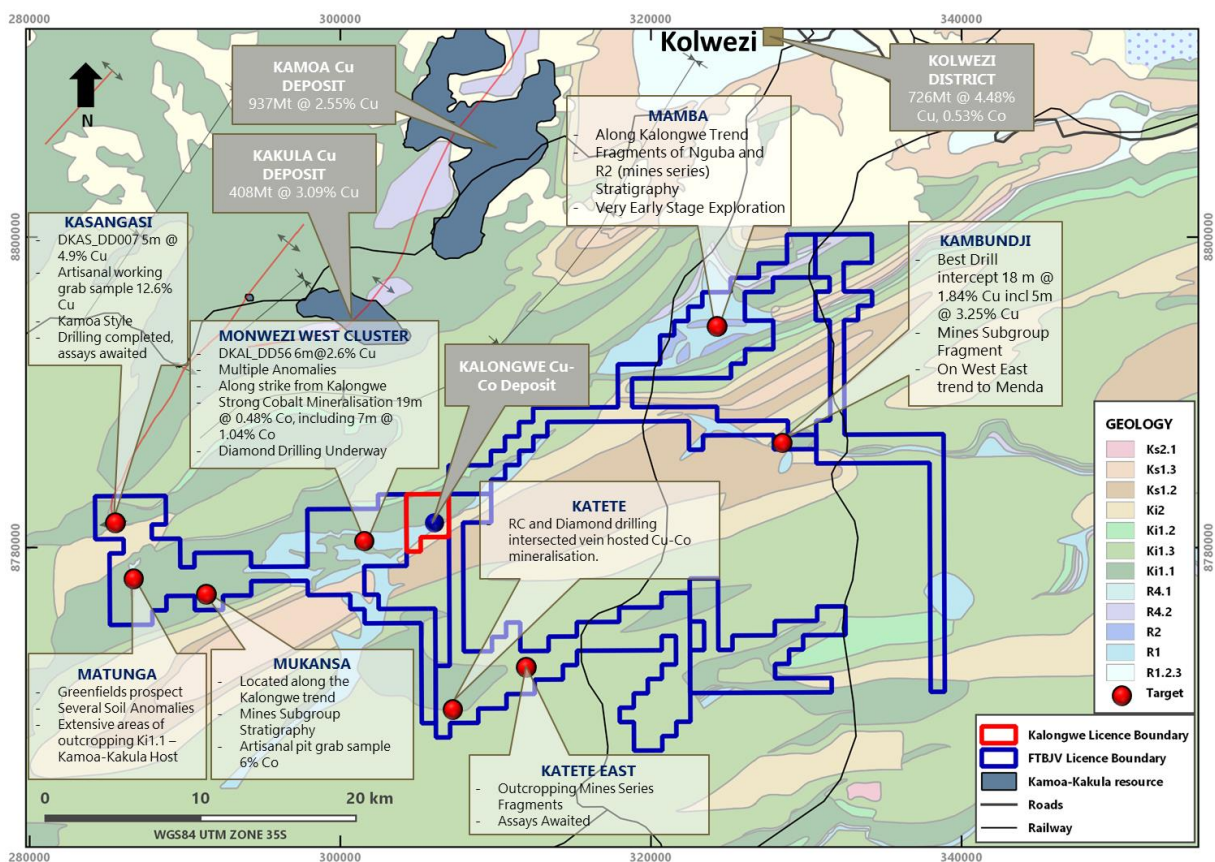


Figure 6: Location of Target Areas on the FTBJV Licence (blue polygons) transposed over the local bedrock geology. Shown also are the locations of known Cu-Co mineralisation in the immediate environs. The Exploitation Permit area for the Kalongwe deposit is shown using a red polygon.

## Drilling Summary Update

Nzuri has so far completed a total of 6,144m of RC and diamond exploration drilling within the Fold Thrust JV with a further 1,023m of exploration drilling planned over the balance of this year.

The current status of drilling, trenching and pitting both completed and planned at each prospect is summarised in Table 1 below:

**Table 1: Summary of exploration activities completed up to 07 November 2017**

**Drilling Completed**

Target	RC (m)	Diamond (m)	Hydro (m)	Total (m)	
Kalongwe	-	1 373	386	1 759	Feasibility work
Kambundji	393	-	-	393	2016 programme
Monwezi	1 843	177	-	2 020	
Katete	1 042	839	-	1 881	
Kasangasi	1 550	693	-	2 243	
<b>Total</b>	<b>4 828</b>	<b>3 082</b>	<b>386</b>	<b>8 296</b>	
	393	-	-	393	2016 programme
	<b>4 435</b>	<b>3 082</b>	<b>386</b>	<b>7 903</b>	2017 Programme

**2017 Drilling Remaining**

Target	RC (m)	Diamond (m)	Hydro (m)	Total (m)
Kalongwe	-	-	-	-
Kambundji	-	-	-	-
Monwezi	-	1 023	-	1 023
Katete	-	-	-	-
Kasangasi	-	-	-	-
<b>Total</b>	<b>0</b>	<b>1 023</b>	<b>-</b>	<b>0</b>

**Trenching completed**

Target	Total (m)	
Kalongwe	1 280	
Kambundji	-	
Monwezi	5 480	Includes pit traverses
Katete	1 218	
Kasangasi	422	
<b>Total</b>	<b>8 400</b>	
	1 218	2016 programme
	<b>7 182</b>	2017 Programme

**Road Access completed**

Target	Total (km)	
Kalongwe	36.1	
Kambundji	-	
Monwezi	4.0	
Katete	20.7	
Kasangasi	20.9	
<b>Total</b>	<b>81.7</b>	2017 Programme

**Pit Traverses**

Pits	Completed #	Planned Pits #	Total
Katete	10		10
Monwezi 3	3		3
Monwezi 7	0	20	20
Monwezi 2	8		8
Kasangasi	43		43
Katete East	87		87
<b>Total</b>	<b>151</b>	<b>20</b>	<b>171</b>

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**Competent Persons Statement**

*Exploration results*

Scientific or technical information in this release that relates to Exploration Results is based on and fairly represents information and supporting documentation 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.

*Mineral resources*

Scientific or technical information in this release that relates to the Mineral Resource estimate for the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Upgraded JORC Resource at Kalongwe 302,000t Copper and 42,700t Cobalt' dated 5 February 2015. 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.

*Ore reserve*

Scientific or technical information in this release relating to the Kalongwe Cu-Co Deposit reserve estimate is extracted from the Company's ASX announcement entitled 'Kalongwe Stage 1 Feasibility Study Outlines Robust, Low Cost Copper-Cobalt Project with Strong Financial Returns' dated 16th October 2017. 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.

**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.

## **About Nzuri Copper Limited**

Nzuri Copper Limited (ASX: NZC) is an ASX-listed copper-cobalt company focused on the identification, acquisition, development and operation of high-grade copper and cobalt projects in the Katangan Copperbelt of the Democratic Republic of the Congo (DRC). The Company has two key projects in the DRC: the Kalongwe Copper-Cobalt development project and the Fold and Thrust Belt JV exploration project with Ivanhoe.

### ***Kalongwe Copper-Cobalt project***

The Kalongwe Copper-Cobalt deposit (“Kalongwe”) is the Company’s 85% owned flagship development project.

Kalongwe is located in the Lualaba Province of the DRC and is situated towards the western end of the world-class Central African Copperbelt (Figure A) less than 15km from where Ivanhoe Mines Ltd (TSX: IVN, “Ivanhoe Mines”) has announced a second world class copper discovery at Kakula (See announcement from Ivanhoe Mines Ltd TSX: IVN on 11 August 2016).

Kalongwe hosts a near-surface JORC resource of 302,000t contained copper and 42,700t contained cobalt as predominantly oxide ore (see ASX announcement on 5 February 2015 for further details).

### ***Fold and Thrust Belt JV project***

The Fold and Thrust Belt JV (“FTBJV”) project consists of five highly prospective tenements, covering an area of approximately 334 km<sup>2</sup>, contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC.

The Company has signed an MOU with Ivanhoe Mines Ltd (TSX: IVN, “Ivanhoe Mines”) to acquire up to a 98% interest in the project (see ASX announcement on 24 April 2015 for further details).

The FTBJV project 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, for Kamo-a-Kakula type targets hosted on redox boundaries within the Grand Conglomerate Formation, as well as structurally controlled copper deposits hosted within the Kamilongwe thrust akin to Mutanda, Deziwa and the Kansuki deposits which occur 60 km to the North East along the structural trend.



## Appendix 1: Drill-hole results and collar positions for Katete

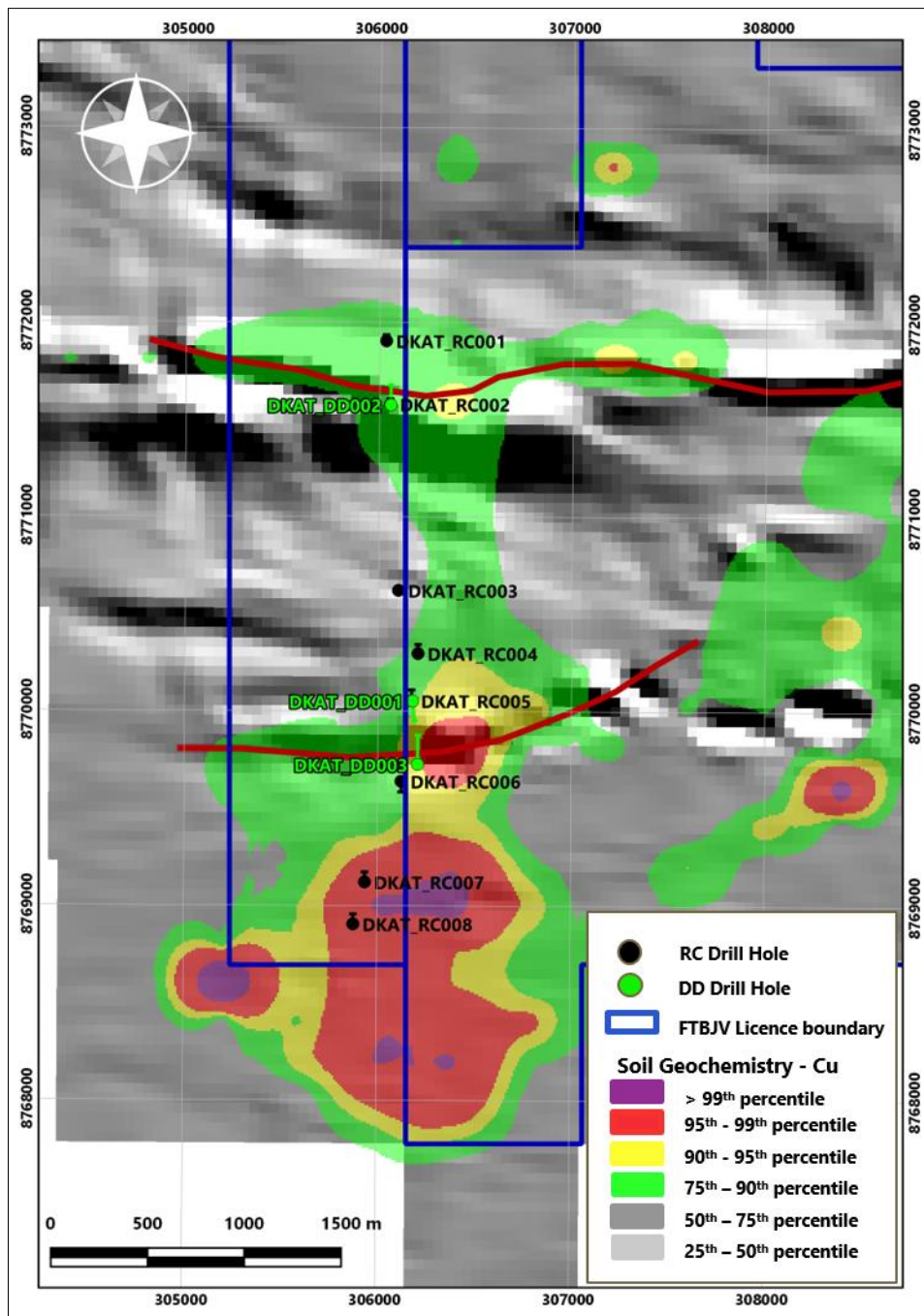
SampleID	Hole_ID	Depth_From	Depth_To	Sample_Type	Cu_ppm	Co_ppm
U9021	DKAT_DD001	92.8	92.9	Core	22 100	31
U9051	DKAT_DD001	179.15	179.27	Core	2 550	13
U9063	DKAT_DD001	193.1	193.26	Core	1 085	74
U9080	DKAT_DD001	224.33	224.48	Core	3 180	378
U9081	DKAT_DD001	224.48	224.62	Core	1 295	99
U9084	DKAT_DD001	229.9	230	Core	3 030	89
V7022	DKAT_RC005	66	67	RC	1 030	16
V7166	DKAT_RC006	44	45	RC	2 270	108
V7167	DKAT_RC006	45	46	RC	2 950	134
V7168	DKAT_RC006	46	47	RC	1 890	127

*Appendix 1 Table 1: Drill Hole samples from boreholes at Katete containing above 1000 ppm Cu from 613 samples analysed.*

HoleID	Method	Target	East	North	Azimuth	Inclination	Drilled Depth
DKAT_RC001	RC	Katete	306034	8771905	0	-70	91
DKAT_RC002	RC	Katete	306056	8771579	0	-70	82
DKAT_RC004	RC	Katete	306206	8770298	0	-70	135
DKAT_RC003	RC	Katete	306103	8770622	0	-80	111
DKAT_RC005	RC	Katete	306174	8770055	0	-70	162
DKAT_RC006	RC	Katete	306122	8769641	180	-70	161
DKAT_RC007	RC	Katete	305936	8769122	0	-70	150
DKAT_RC008	RC	Katete	305877	8768906	0	-70	150
DKAT_DD001	DD	Katete	306179	8770054	174	-70	300
DKAT_DD002	DD	Katete	306059	8771576	0	-70	300
DKAT_DD003	DD	Katete	306206	8769728	0	-60	200

*Appendix 1 Table2: Drill Hole Collar information for holes drilled at Katete*

Appendix 2: Drill-hole plan showing collar positions for Katete



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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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 (e.g., submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond Drill core was sampled at a nominal length of 20 cm where visible mineralisation was noted. Intervals immediately above and below were sampled between 50 cm and 1 m samples ensuring that no lithological boundaries were crossed.</li> <li>Reverse Circulation drilling was utilised to obtain 1 metre samples according to industry norms.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse circulation (RC) drilling at 5.5 inch drill hole diameter.</li> <li>Diamond drilling mentioned in this release utilised a PQ-HQ core sizes where appropriate to maximise core recovery. Core was not orientated due to bad ground conditions</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RC 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. RC recovery exceeded 80% and is considered fit for purpose.</li> <li>Diamond drill recovery is &gt; 90% for all holes. Intervals of core loss are excluded from sample length and samples represent 100% core recovery</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All RC chips were logged for geological (lithology, mineralisation, alteration) according to the Nzuri Copper SOP. All data are stored in a database. The standard is suitable for Reporting Exploration Results.</li> <li>Diamond drill holes are geologically logged for rock type, alteration and qualitative estimates of mineralisation took place.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Diamond drill core is split in half along the core axis. The same side of the core is sampled to prevent bias.</li> <li>• 5 % of the samples were prepared as field duplicates and were submitted to monitor between sample variability and laboratory assay precision.</li> <li>• Samples were submitted to the ALS Laboratory preparation facility in Lubumbashi, DRC, where the entire sample is crushed to &lt; 3mm and a 250 g aliquot is obtained using a rotary splitter followed by pulverising to 85% &lt; 75µm. Regular sizing checks were undertaken and reported.</li> <li>• Sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometres, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Handheld XRF analysis is performed using a Thermo Scientific™ Niton™ XL2 instrument. Each sample was analysed for 60 seconds with no factors applied. CRMs are routinely analysed in the sample stream and are assessed to determine the quality of the analyses. Handheld XRF analyses are not reported, only QAQC passed laboratory analyses.</li> <li>• Samples selected for laboratory analysis were submitted for a four acid digest (sulphuric, nitric, perchloric and hydrofluoric) and ICP-AES finish for multi-elements.</li> <li>• Only QAQC passed laboratory analyses are reported.</li> <li>• 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.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Assay verification is undertaken by submitting field duplicates.</li> <li>• At this stage of the exploration programme independent laboratory repeats are not deemed necessary</li> <li>• Data is recorded onto hardcopy log sheets which are stored onsite. This data is captured electronically and imported into the project database during which verification and validation is undertaken.</li> <li>• No statistical adjustments to data have been applied.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• No down hole surveys were collected for the RC drilling component of this exploration update. Diamond drill holes are surveyed using a reflex multishot survey tool.</li> <li>• The grid system for the project is UTM WGS84, Zone 35 South.</li> <li>• Topographical data is determined through the combination of SRTM satellite data at one arc-second resolution and average location collected by handheld GPS's.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• No resources are reported in this exploration update, hole spacing is variable depending on the intention of the exploration test being applied.</li> <li>• Resource or ore reserve estimation is not reported here.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• At this stage the orientation of controlling structures at Katete is not understood. Bedding is folded and dips direction varies to the North and south along the fold structures, dip angles of between 0 and -70 degrees are recorded. At this stage it is unknown if drill hole orientation has introduced sampling bias.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• An unbroken sample chain of custody was implemented, as follows: <ul style="list-style-type: none"> <li>○ Plastic sample bags sealed and placed inside polyweave bags or boxes which are sealed with cable ties or taped closed</li> <li>○ 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.</li> </ul> </li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• ALS's sample preparation laboratory located in Lubumbashi was audited in February and passed all required checks.</li> </ul>

## Appendix 4: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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<sup>2</sup>, 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).</li> <li>The exploration licence was renewed for a period of 5 years in January 2015.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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 4<sup>th</sup> quarter of 2016 a verification programme was undertaken which successfully validated the Ivanhoe data.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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. Three deposit models are being targeted: (i) strataform copper mineralization in Roan Group lithologies and (ii) secondary remobilization of the mineralization along structures. (iii) Zambian type copper mineralization associated with stratigraphically controlled redox boundaries.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• 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:               <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• See relevant appendices. Tables in text of report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• In this release results are too low to report intercepts</li> <li>• 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. An 0.1% Co cut-off is applied to relevant intersections</li> <li>• All metal grades reported are single element, reported in ppm or percentage units as is indicated.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• All intercepts reported here are drilled widths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole plans are provided as well as sections where necessary.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No intercepts are reported. A total of 641 samples were assayed and it is not possible or necessary to report all samples. Therefore only the samples above 1000 ppm Cu are reported. All samples not included in reporting tabulations reported below 1000 ppm Cu</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>At this stage all assays received for Katete are reported and no additional samples are expected to be reported.</li> <li>Significant number of assay results for Kasangasi and Monwezi 7 are yet to be received from the laboratory and will be reported in due course.</li> <li>A airborne magnetic survey is being undertaken, the data collection phase of work is complete but data processing and the interpretation phase is complete is not complete and the results have not been reported yet.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work on the FTBJV project is summarised in the text above.</li> </ul>