



# NZURI

COPPER LIMITED

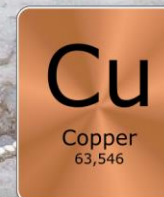
ASX Code: NZC

## Building a substantial new copper-cobalt company in central Africa

- \$10m cornerstone investment – Huayou Cobalt
- Kalongwe Stage 1 DMS Project advancing with potential further value uplift from Stage 2
- Aggressive exploration in world-class belt

*Investor Presentation, 5-6<sup>th</sup> February 2018*

Mark Arnesen, CEO || Adam Smits, COO



**121** MINING  
INVESTMENT  
5-6 FEBRUARY 2018 CAPE TOWN



# Forward-Looking Statements, Disclaimer and CP Statement



- **Forward-Looking Statement:** 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 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. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

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- **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 presentation 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. 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.

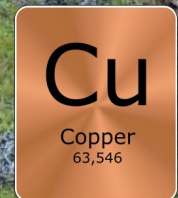
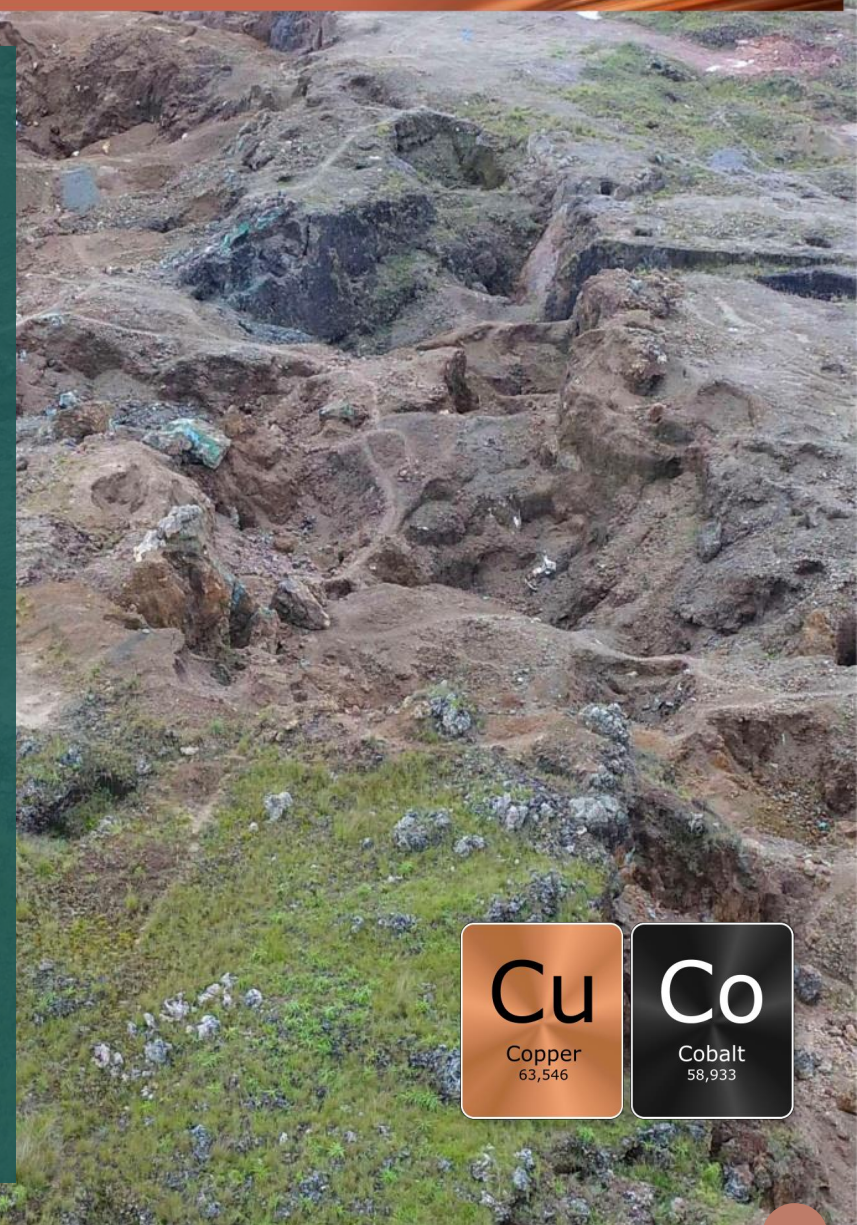
The information in this document relating to the Kalongwe Cu-Co Deposit reserve estimate is extracted from the Company's ASX announcement entitled 'Kalongwe Stage 1 Feasibility Study Outlines Robust, Low Cost Copper-Cobalt Project with Strong Financial Returns' dated 16th October 2017. The Company confirms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



# Nzuri Copper – The Investment Case



- High-grade copper and cobalt portfolio in Central African Copper Belt
- Recent US\$10m cornerstone investment by China's Huayou Cobalt (14.8% stake)
  - *World's largest cobalt chemicals producer*
- Near-term production pathway at Kalongwe oxide copper-cobalt project
  - *Low-cost DMS Stage 1 project – fully permitted and ready to execute*
- Further development and optimization studies already underway
  - *Including assessment of SX-EW processing options*
- Outstanding leverage and upside to rising copper and cobalt prices
- Significant exploration upside within 334km<sup>2</sup> Fold and Thrust Belt JV with Ivanhoe Mines (TSX: IVN) – expanded 2018 campaign imminent targeting:
  - *Near-mine satellite targets at Monwezi – potential for new copper-cobalt resources*
  - *Large-scale “Kamoa-Kakula”-style target at Kasangasi*
  - *Exceptional pipeline of regional exploration opportunities*





# Corporate Overview



## Capital Structure (A\$)

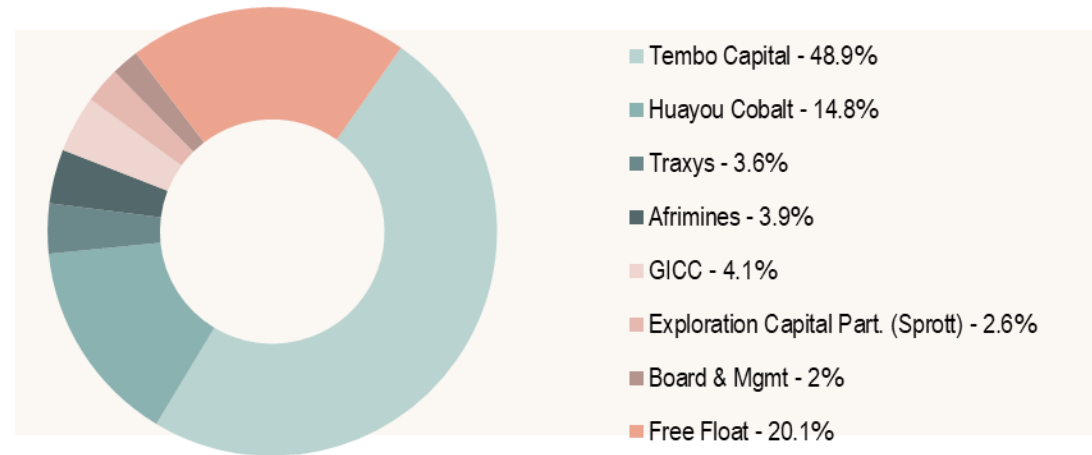
|                      |  |
|----------------------|--|
| Market Cap           | ~\$100m @ 39c/share                      |
| Cash                 | \$6m (at 31 <sup>st</sup> December 2017) |
| Issued Shares        | 270.2M (279.8M fully Diluted)            |
| Options <sup>^</sup> | 9.6M                                     |
| Debt                 | Nil                                      |

<sup>^</sup> Exercise prices range from \$1.20 to 20c, Expiry dates range from 10/2/2018 to 6/9/2027.

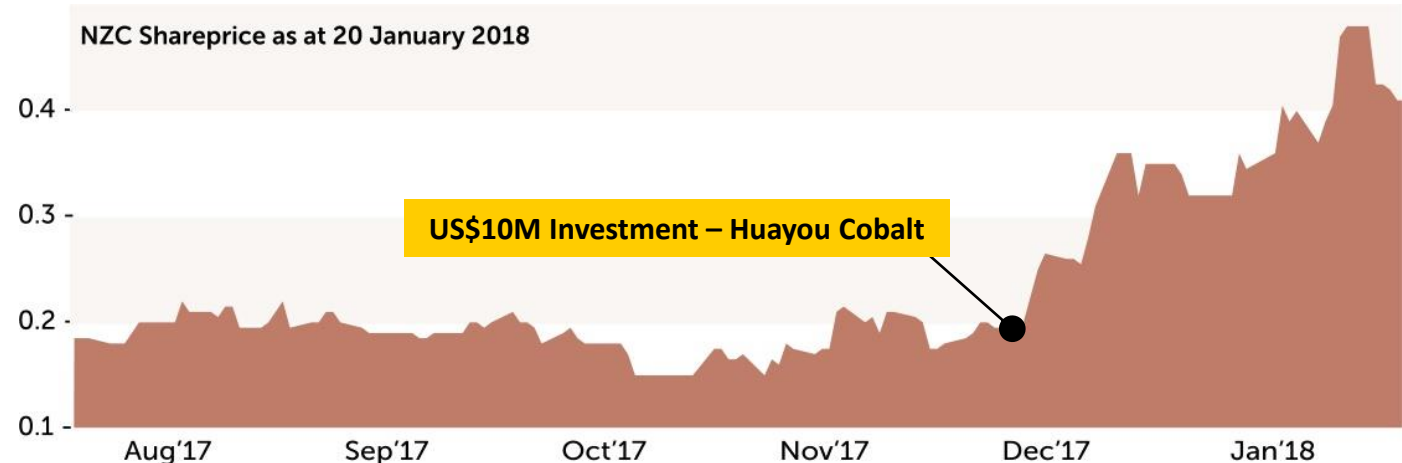
## Highly experienced board and senior management with extensive African mining experience

- **Dr Peter Ruxton, Non-Executive Chairman**  
Geologist with +35 years experience, co-founder of private equity mining fund Tembo Capital
- **Mark Arnesen, CEO and Executive Director**  
Chartered Accountant with extensive expertise in financing major resource projects, former senior Billiton, Ashanti Goldfields, Equinox Minerals Executive
- **Adam Smits, COO and Executive Director**  
Mechanical Engineer with significant African project execution experience, with Perseus Mining, TiZir, Mineral Deposits & Australasia with Placer Dome

## Strong share register with cornerstone holdings by key strategic partners



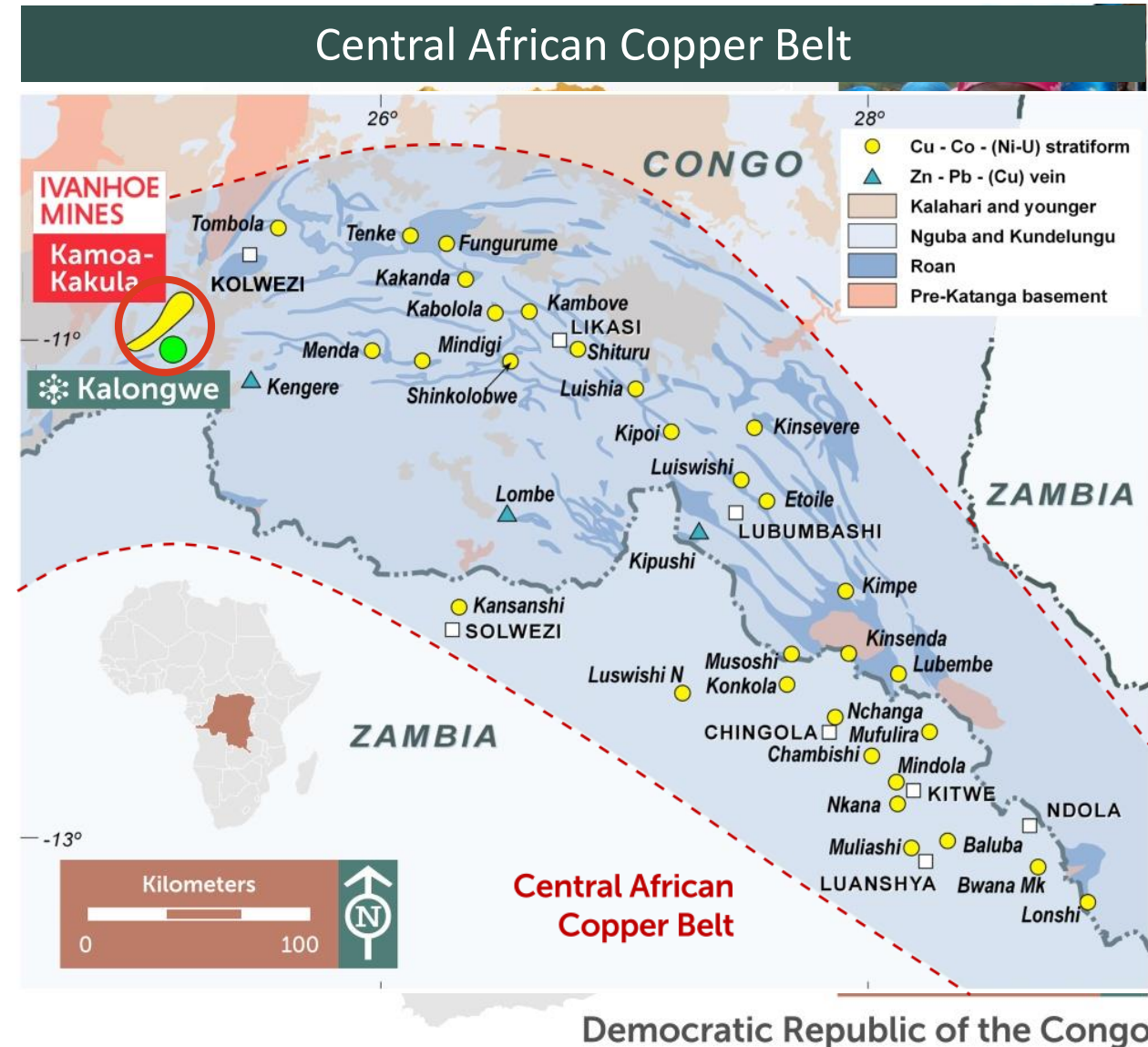
## Highly leveraged to strongly performing copper and cobalt prices



# A Tier-1 Address



- World's largest and most prolific sediment-hosted copper province (estimated endowment >160Mt Cu)
- Produced ~63% of the world's cobalt and ~10% of its copper in 2016
- Generally high-grade copper deposits 2.5-5.0% Cu
- Several new world-class mines being developed:
  - *Ivanhoe's Kamo-Kakula deposit ranked as the world's largest undeveloped high-grade copper discovery*
- Vastly under-explored, strong potential for new Tier-1 discoveries
- **Nzuri's projects lie in the north-western portion, just 15km from Ivanhoe Mine's Kakula-Kamo**



Democratic Republic of the Congo

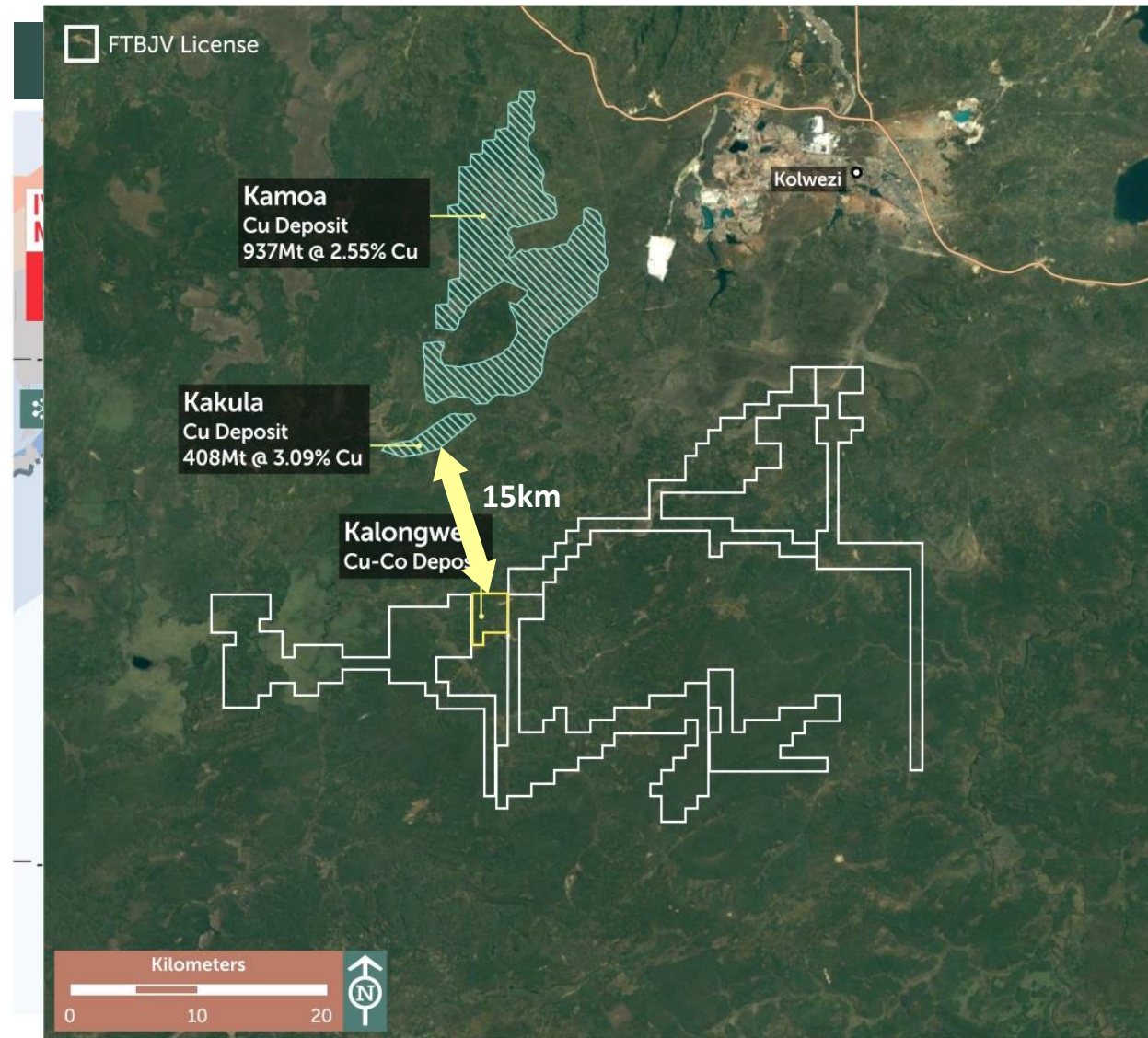


# Kalongwe Copper-Cobalt Project – Our Foundation Asset



- 85%-owned by Nzuri with 10% held by local Congolese partner GICC and 5% by the DRC Government
- Excellent relationships with Government and local communities
- Fully permitted with 12-month timeline to production
- Significant opportunities to improve project economics and mine life through project expansions (Stage 2) and optimization
  - *Evaluation of SX-EW processing underway with Stage 2 Scoping Study and further metallurgical testwork*

**...Unlock the full value of the Kalongwe deposit**

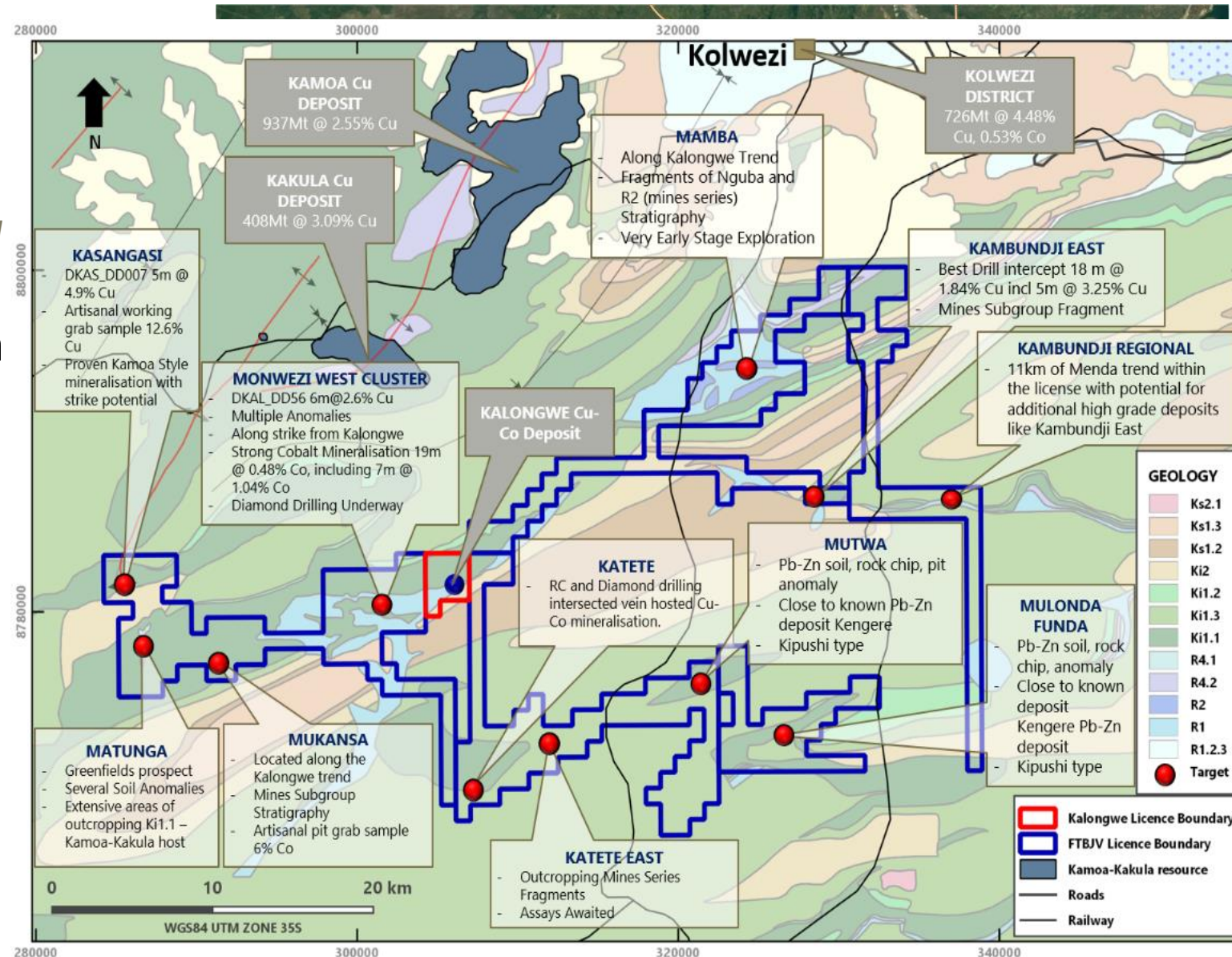




# Multi-Pronged Exploration Campaign in a World-Class Copper Belt



- Significant progress achieved in 2017 with:
  - 82km of access roads established to provide logistical access to key targets
  - 6,600m of RC and diamond exploration drilling completed +7,600m of trenching
- Monwezi key focus for near-mine exploration with 2017 drilling identifying two areas with resource potential
- Kasangasi confirmed as a key target for Kamoa-style mineralisation with 3km of identified strike length to be drilled in 2018
- Strong pipeline of regional targets including those generated by recent high-resolution airborne survey
- Expanded exploration push in 2018**





# Kalongwe Stage 1 DMS – A Rapid, Low-Cost Pathway to Production



- October 2017 Feasibility Study confirmed project's strong financial and technical merits
  - Ore Reserve 6.98Mt at 3.03% Cu, 0.37% Co for 211,494t of contained Cu and 25,826t of contained Co
  - Forecast production of 19,360tpa Cu and 1,507tpa Co in concentrate at US\$1.35/lb Cu
  - CAPEX US\$53.12M
  - Initial 7-year mine life
  - NPV<sub>10%</sub> of US\$116M pre-tax
  - 71% IRR and 21 month payback
- **Outstanding leverage to rising copper and cobalt prices**





# Kalongwe Stage 1 – Investment Check-List



| Factor   | Nzuri's Kalongwe Project | ASX-listed Cobalt Peers   |
|--|--------------------------|---|
| Permitting in place                              | Yes                      | <i>No – majority of peer companies not past Scoping Study level</i>   |
| <b>±15% Accuracy Feasibility Study Completed</b> | Yes                      | <i>No – no ASX-listed peer company with a completed ±15% FS</i>   |
| Reserve (JORC Compliant)                         | Yes                      | <i>Metals X (\$2.2B Wingella) &amp; CleanTeQ's (\$0.68B Syerston) only</i>  |
| Near-term development (<12 months)               | Yes                      | <i>No Australian peer capable of being in production &lt;12 months</i>  |
| <b>Is the processing SIMPLE ?</b>                | Yes                      | <i>A significant proportion of alternate cobalt projects require complex hydrometallurgical processing flowsheets</i> |
| Does the Project have Upside                     | Yes                      | ??  |
| Exploration Upside                               | Yes                      | ??  |
| <b>Market Capitalisation</b>                     | <b>A\$100M</b>           | <b>A\$12M through to A\$850M+!</b>  |

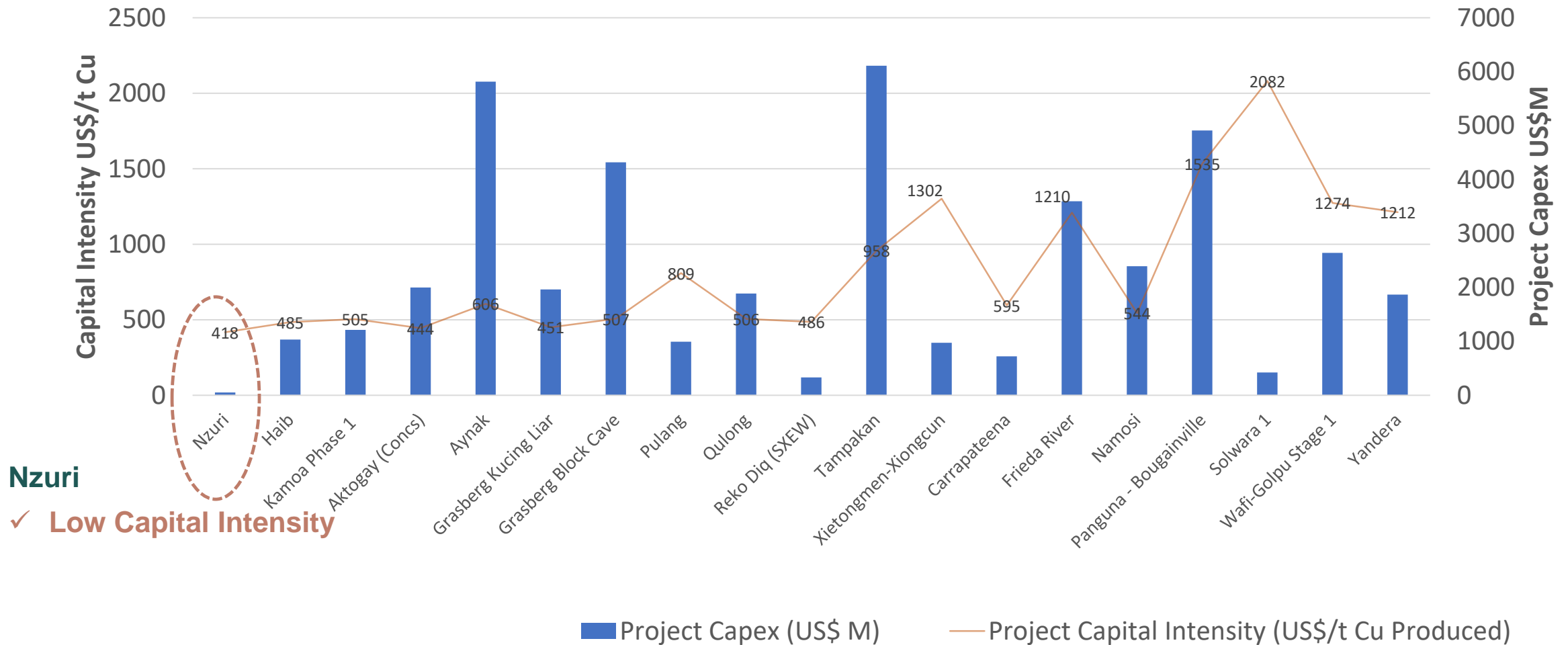
Nzuri's Kalongwe Project is one of the simplest, least capital intensive copper-cobalt development assets in the world.



# Kalongwe Stage 1 – Very Low Capital Intensity



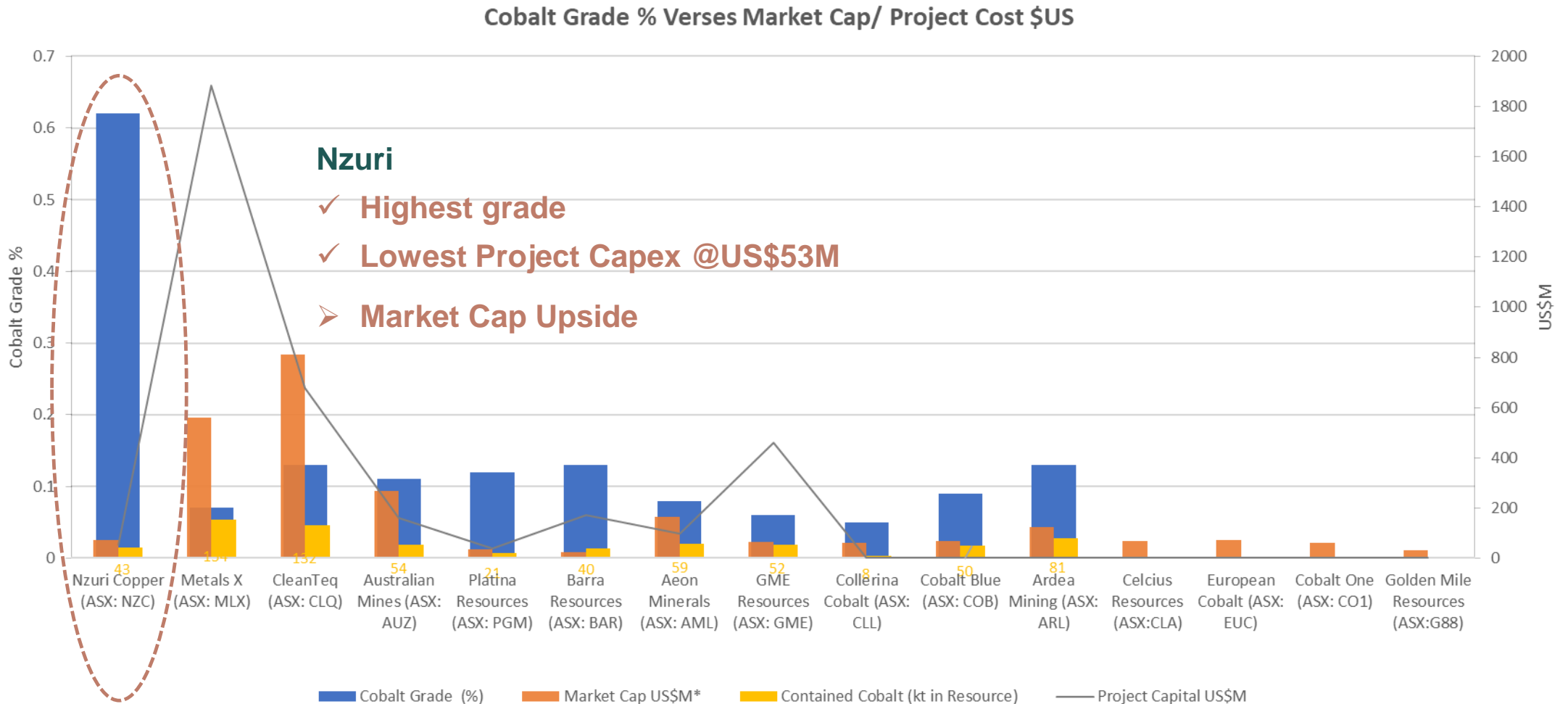
Capital Intensity vs. Project Capex (Future Copper Projects Africa, Asia & Australia)



Source – CRU Copper Mine Projects 2017



# Opportunity Compared with our ASX Peers!



Per ASX Public Data as at 30-1-18



# Kalongwe – A Staged Pathway to Production and Growth



## Stage 1

- Simple, robust, proven DMS process



- ✓ All permitting in place
- ✓ 12-month build
- ✓ Rapid pathway to production and cash-flow

## Stage 2

- High potential to enhance Stage 1 economics and mine life significantly



- Processing of cobalt-only ore and mineralised rejects: ~US\$1B+ of contained cobalt metal value produced by the DMS
- Improved payability through downstream upgrading of product/s
- Discovery of cobalt-only deposits on JV tenements will further expand scope of Stage 2

To this end:

- SX-EW leaching test program commenced Q1 2018 aiming to unlock significantly more copper & cobalt value
- SXEW/Leaching focused Scoping Study initiated Q1 2018 based on Stage 1 Project FS outputs

Nzuri Copper can move quickly into production at Kalongwe, generating cash-flows to underpin its broader growth ambitions in the region...





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## Our Future: Exploration Upside in the Fold Thrust Belt Joint Venture

- *High-impact exploration programs underway*



# 2018 Exploration – Priorities and Opportunities



## Targets & Objectives

### Monwezi 2

Opportunity to add new resources 3km from Kalongwe

### Kasangasi

Test extents of proven Kamo-a-type mineralisation

### Monwezi 7

Strong cobalt potential and located near Kalongwe

### Kambundji East/ Regional

Test for westward extension of high-grade copper mineralization and copper Mines Series Fragments like Kambundji East

### Mulonda Funda

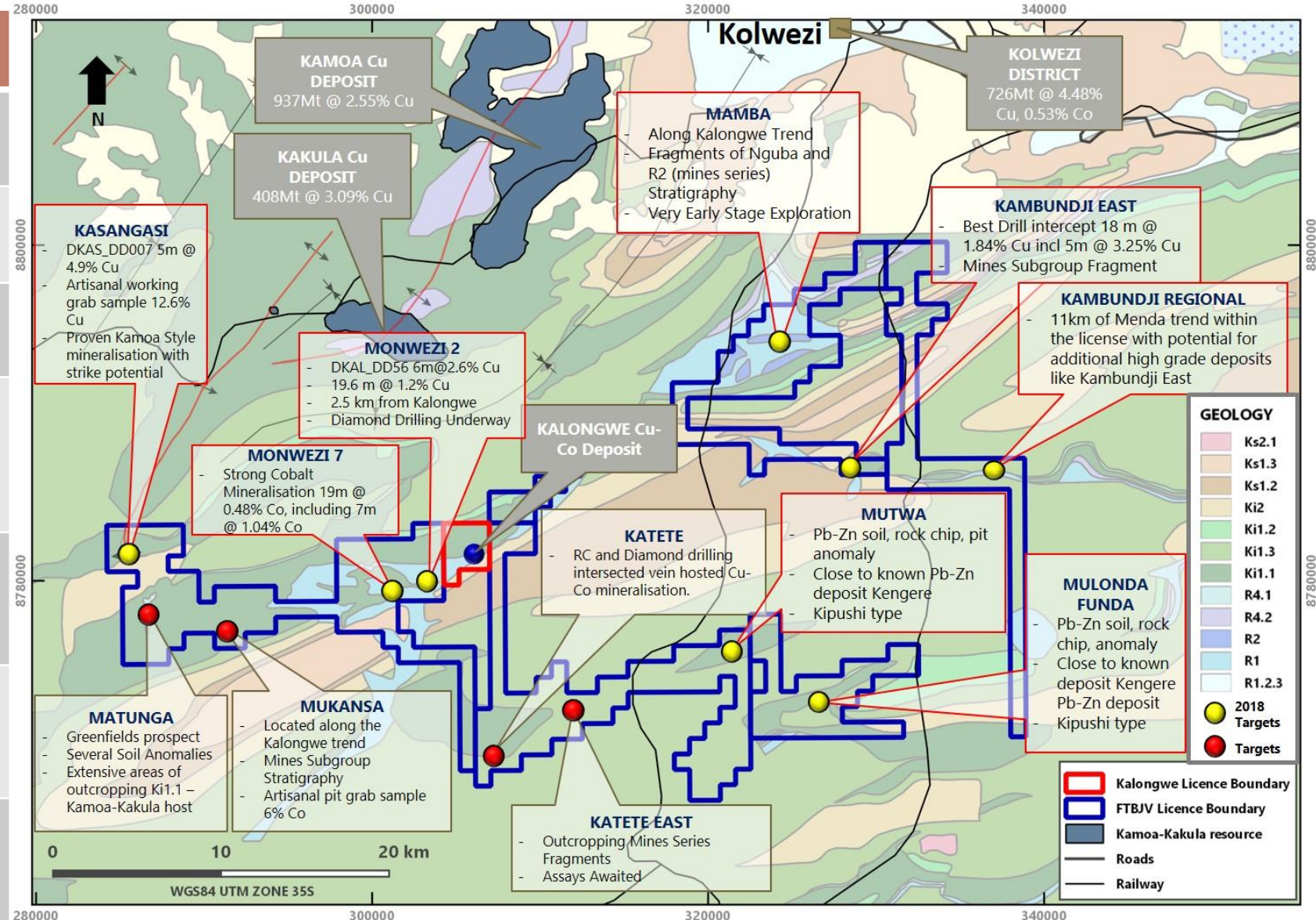
Test Pb-Zn anomalies for Kipushi-type high-grade Pb-Zn mineralization

### Mamba

Large roan megabreccia fragments containing kilometer scale Mines Series ecaille with copper mineralization

### Mutwa

Test anomalies for Kipushi-type high-grade Pb-Zn mineralization

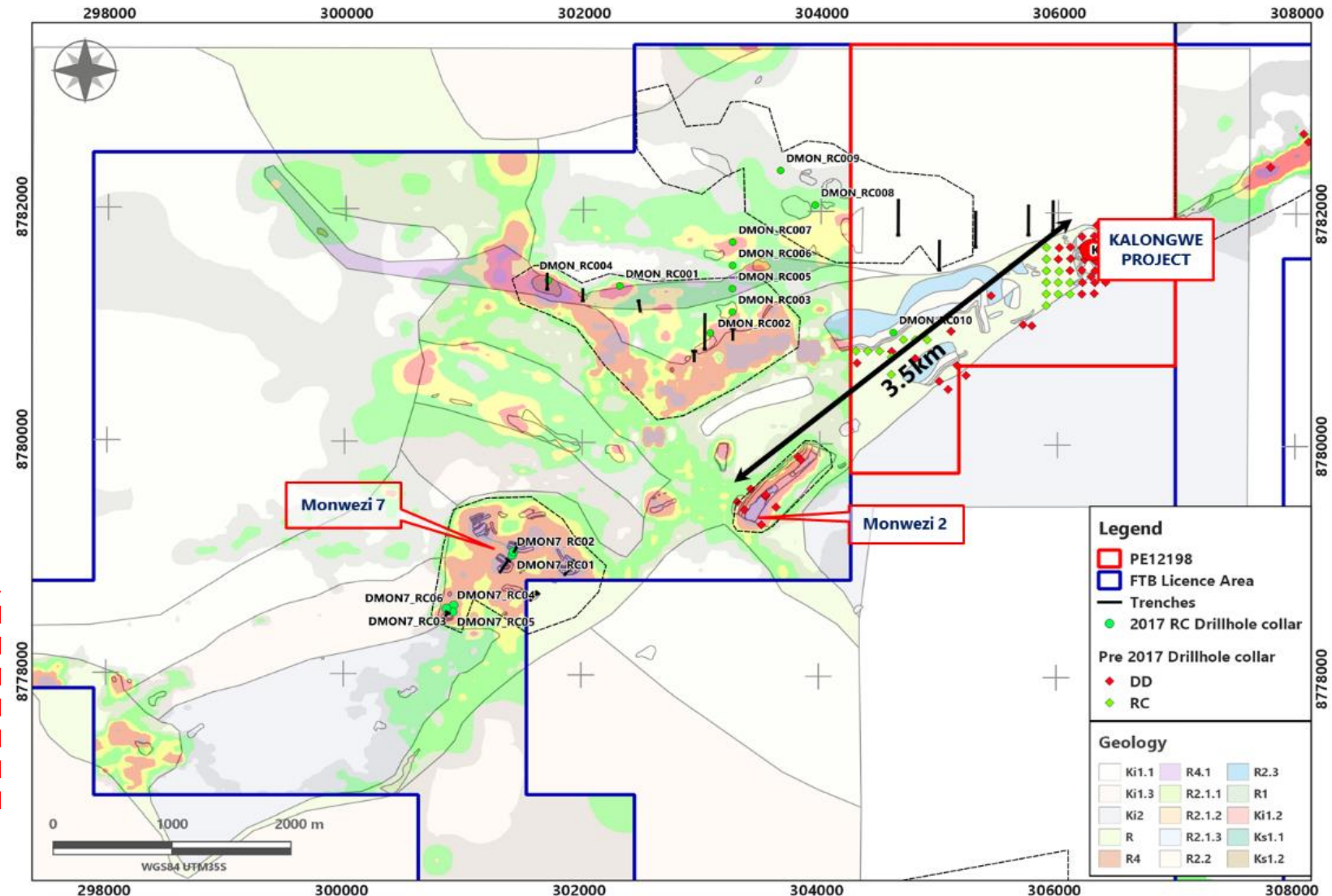




# Monwezi – Taking Centre Stage for Near-Mine Exploration



- Located within 5km from Kalongwe – opportunity for satellite resources
- Monwezi 2 – Mine Series Fragment hosting Kalongwe-style mineralisation identified over 300m strike
- Recent drilling has validated historical results and returned significant intercepts including:
  - 19.6m @ 1.2% Cu, including 8.8m @ 1.77% Cu
- High-grade cobalt intersected in trenching and drilling at Monwezi 7
  - Cobalt grades of up to 3.7% Co in trenching
- Systematic diamond drilling campaign commencing April 2018

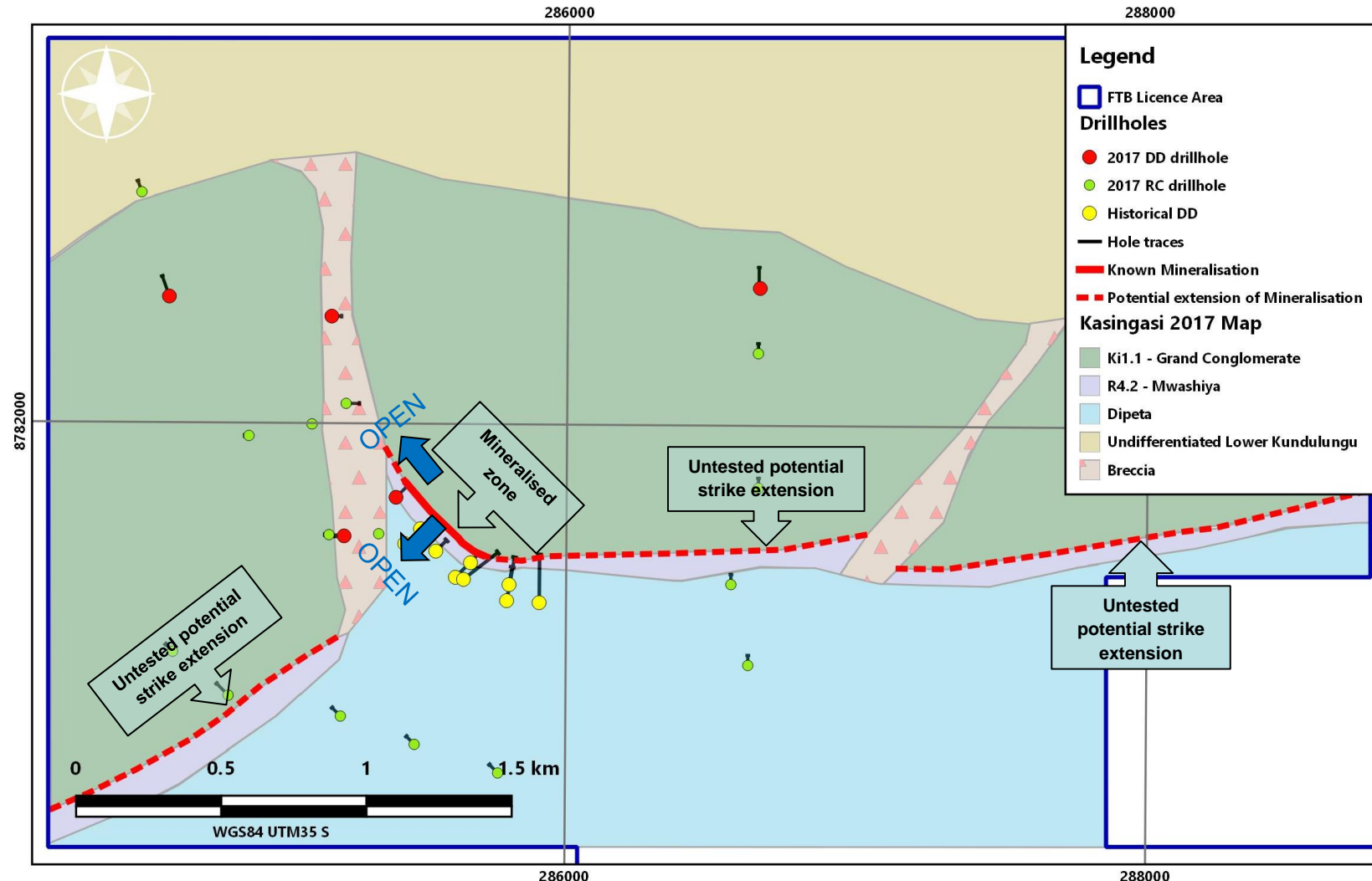




# Kasangasi – Opportunity for a World-Class Discovery



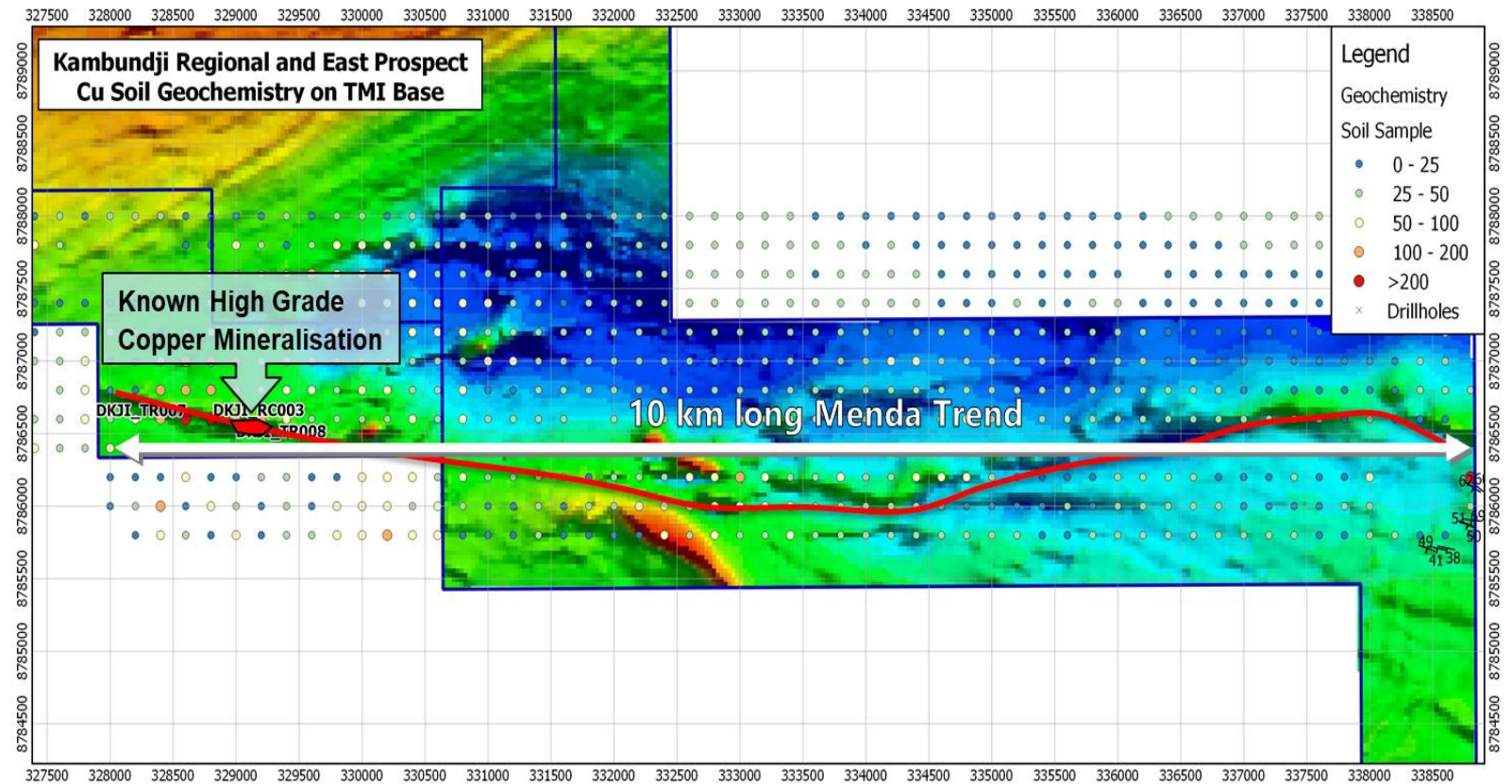
- Priority target because of proximity to Kamoa-Kakula copper deposit
- Recent drilling has confirmed a similar stratigraphic position and mineralisation textures to Kamoa
- Revised exploration model developed for target area post-2017 drilling
  - Targeting high-grade, stratabound mineralisation – generally laterally extensive
  - More than 3km of strike length to be drill tested
- Diamond drill program testing possible strike extents to the west and east commencing in June



# Kambundji East – High Grade Copper Intercepts Outside of Kalongwe



- Previously drilled in 2016 returning high-grade intercepts of 9m @ 1.84% Cu including 2.5m @ 3.25% Cu
- Potential for high grade copper mineralisation in typical Congolese Mines Series écaïe
- RC Drill Program commencing in April:
  - Test area west of the known fragment to test extent strike
  - Test along the 10km long structural trend for additional fragments

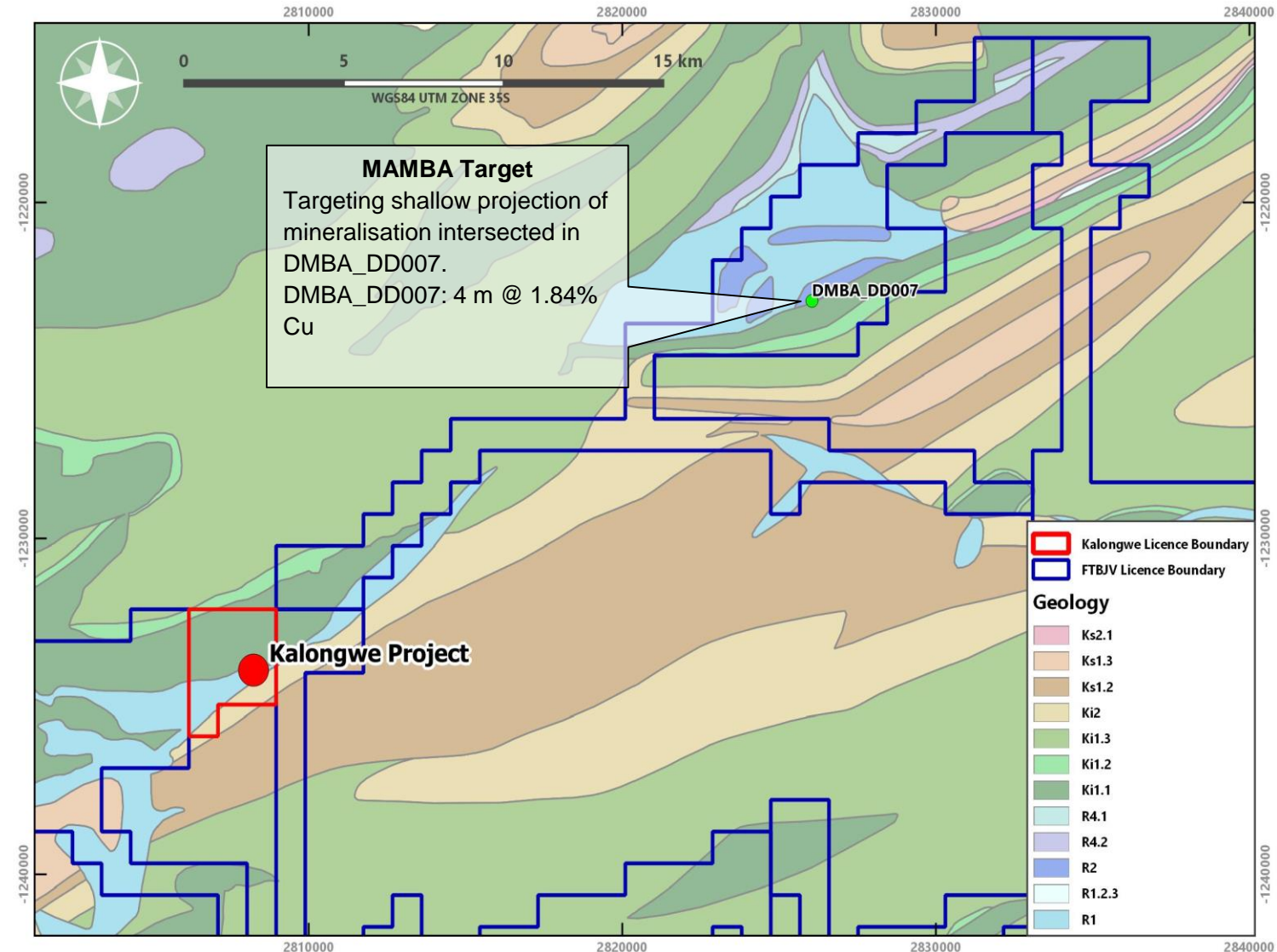




# Mamba – Opportunity for a World-Class Discovery



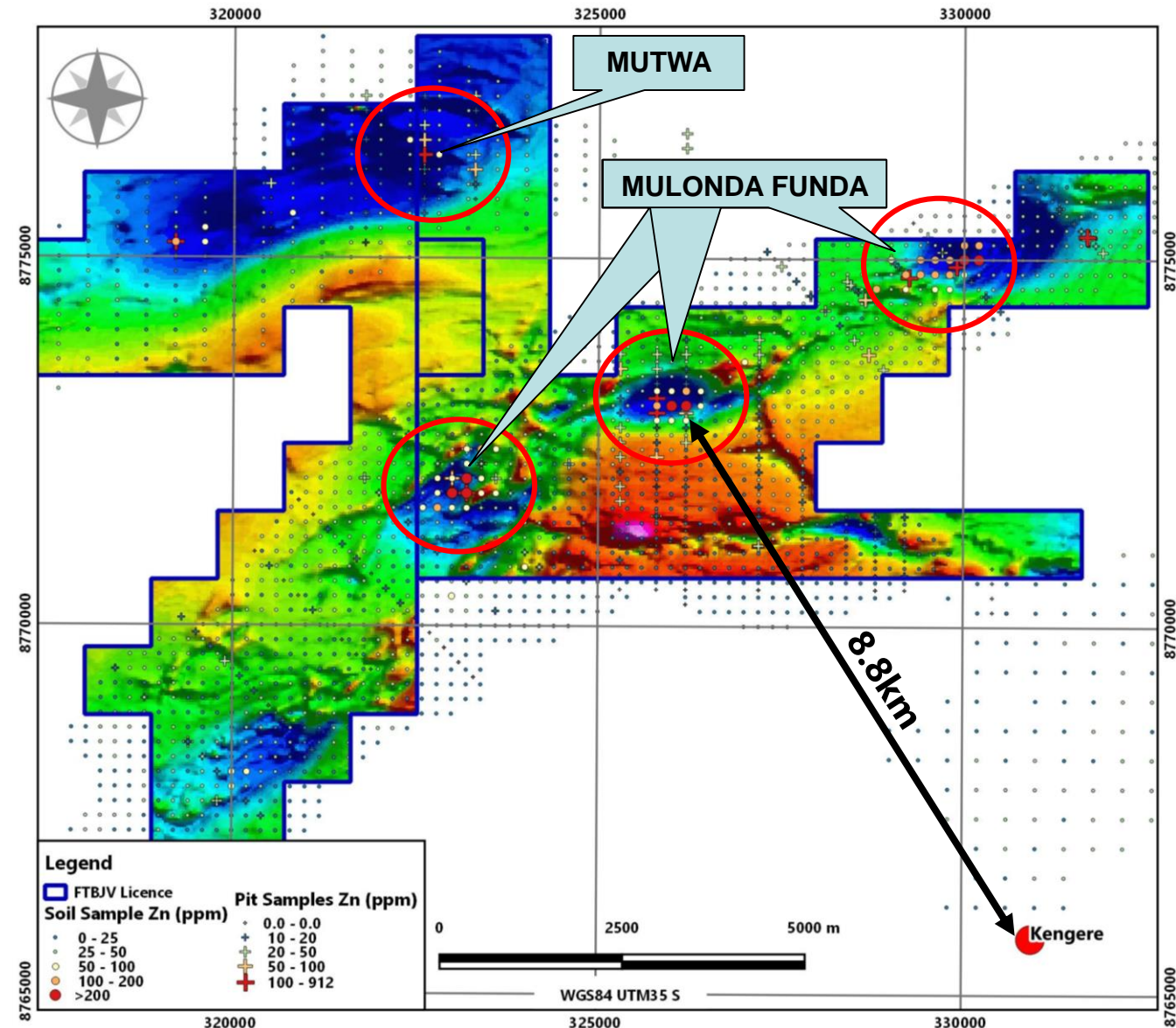
- Typical Congolese Copperbelt Cu-Co mineralized, écaïlle-bearing target.
- Thick sand covers much of the target area, particularly to the north, leaving the prospect under-explored
- Located within 20km of the well-mineralized Kolwezi klippe – presents an attractive Cu-Co target analogous to the Mukondo and Kakanda deposits
- Historical drilling intersected 4m @ 1.84% Cu in Mines Series rocks:
  - *Diamond drill program testing projected shallow mineralised zone up dip of DMBA\_007 commencing in August 2018*



# Mutwa and Mulonda Funda – Potential High-Grade Pb-Zn-Cu Target



- Prominent lead and zinc anomalies defined by soil and pit geochemistry
- Coincident with geological structures identified in magnetic imagery
- Targeting **high-grade** Pb-Zn-Cu mineralisation characteristic of Kipushi-type mineralisation
- Located 8.8km north-west of Ivanhoe's Kengere Pb-Zn-Cu deposit, a known Kipushi-type deposit
- Under-explored – no previous drilling
- RC drilling program planned to commence in August 2018







## Right metals ..... Right place ..... Right time

### HIGH QUALITY PROJECTS – COPPER AND COBALT

**Cu**

Copper  
63,546

**Co**

Cobalt  
58,933

### NEAR-TERM PRODUCTION OPPORTUNITY

- Kalongwe Project Feasibility Study
- Near-surface oxide resource of 302,000t Cu, 42,000t Co
- Low CAPEX, straightforward open pit mining & processing, excellent logistics

### STRONG DISCOVERY POTENTIAL IN A TIER-1 BELT

- Certain key targets located in close proximity to Ivanhoe Mines' world-class Kamo-a-Kakula copper deposit
- Multi-pronged exploration campaign advancing rapidly
- Initial encouraging results

### STRONG SHARE REGISTER, WELL-FUNDED

- Strong balance sheet, no debt
- Strong cornerstone shareholders include Tembo Capital (~57%) and Huayou Cobalt (14.6%)
- Strong platform for project funding and ongoing exploration





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## CONTACTS & APPENDICES

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

### Investor Relations Contacts:

**Mark Arnesen**  
*CEO/executive Director*

T: +61 (0)8 6424 8100  
E: [info@nzuricopper.com.au](mailto:info@nzuricopper.com.au)

**Anthony Begovich**  
*CFO/Company Secretary*

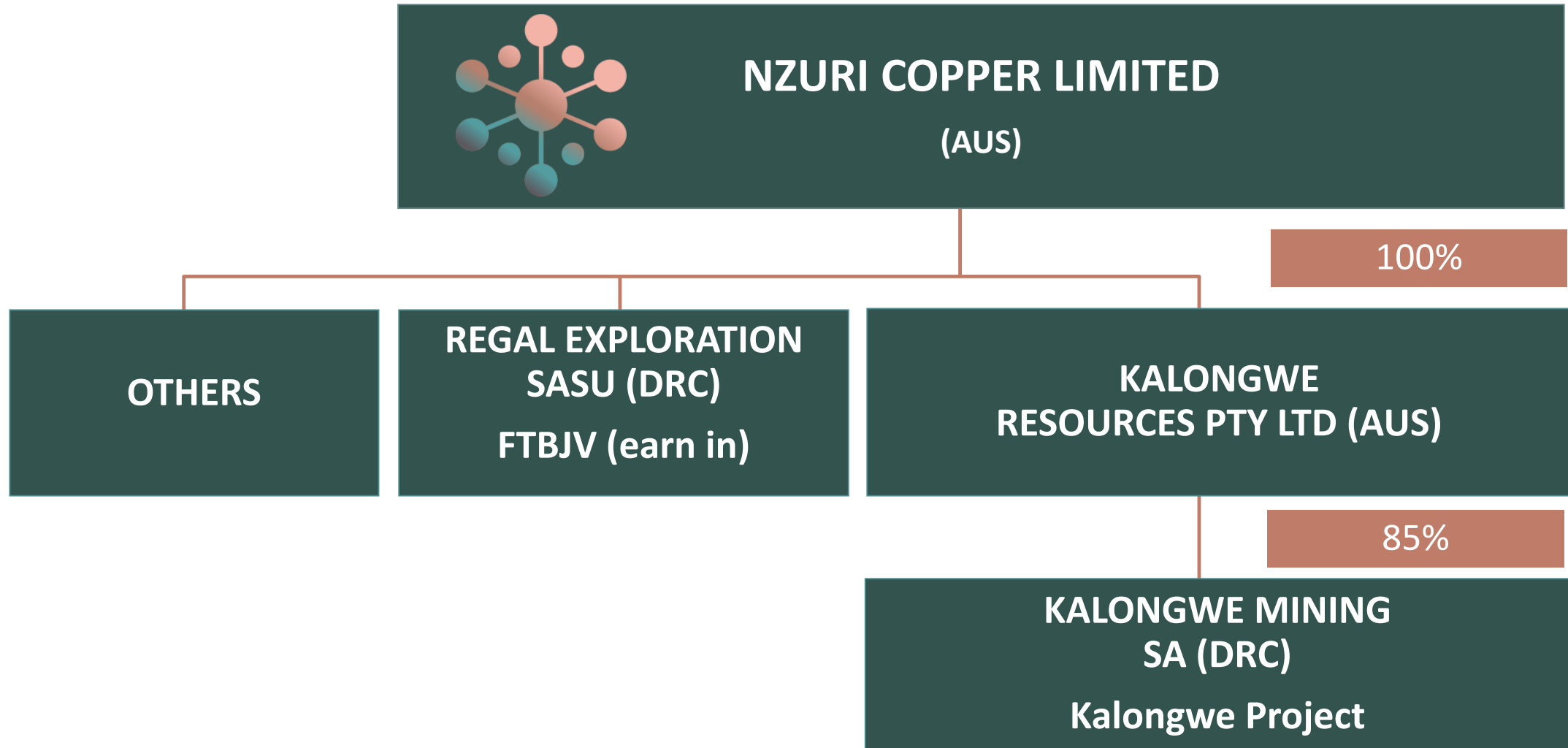
T: +61 (0)8 6424 8100  
E: [info@nzuricopper.com.au](mailto:info@nzuricopper.com.au)

**Nicholas Read**  
*Investor Relations – Read Corporate*

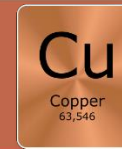
T: +61 (0)8 9388 1474  
E: [info@readcorporate.com.au](mailto:info@readcorporate.com.au)







# Appendix – Kalongwe Mineral Resource Estimate



| 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 | 1.67Mt @ 2.72% Cu | 0.35Mt @ 1.98% Cu | 4.08               | 3.19        | 0.66        | 130,000   | 26,800    |
| Primary            | Cu Only <sup>1</sup>                             | -                 | 1.20Mt @ 2.65% Cu | 0.41Mt @ 1.63% Cu | 1.61               | 2.39        | -           | 38,400    | -         |
|                    | Mixed <sup>3</sup>                               | -                 | 0.51Mt @ 3.06% Cu | 0.03Mt @ 2.22% Cu | 0.54               | 3.02        | 0.52        | 16,400    | 2,800     |
|                    | Total Cu in Cu Only and Mixed Domains            | 3.31Mt @ 3.61% Cu | 5.83Mt @ 2.55% Cu | 2.03Mt @ 1.70% Cu | 11.17              | 2.70        |             | 302,000   |           |
|                    | Total Co in Mixed Domains <sup>4</sup>           | -                 | -                 | -                 | 4.62               | -           | 0.64        | -         | 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                                 | 0.37Mt @ 0.66% Co | 1.52Mt @ 0.58% Co | 0.40Mt @ 0.43% Co | 2.29               | -           | 0.57        | -         | 13,000    |
|                    | Total Co in Mixed & Co-only Domains <sup>5</sup> |                   |                   |                   | 6.91               | -           | 0.62        | -         | 42,700    |

1 The Cu only domains were reported by selecting blocks with Cu  $\geq$  0.5%.

2 The Co only domains were reported by selecting blocks with Co  $\geq$  0.2%.

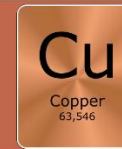
3 The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu  $\geq$  0.5%. The Co grade from these blocks was also reported.

4 The total Co tonnes and grade within the Mixed Domain are reported from blocks where Cu  $\geq$  0.5%, and are not additional to the total Cu Mineral Resources quoted from the Mixed Domain.

5 The total Co tonnes and grade from the Mixed and Co-only Domains are presented as total tonnages only, without reference to JORC classification. The tonnes are not additional to the total Cu Mineral Resources quoted from the Mixed Domain.



# Appendix – Kalongwe Mineral Reserve Estimate



The initial Ore Reserve estimate for Kalongwe is set out below :

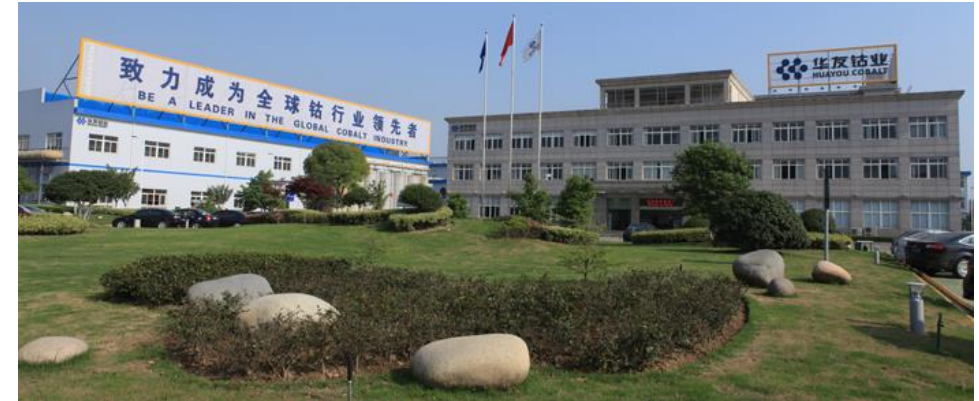
## Ore Reserve

| Category            | Total |      |      |
|---------------------|-------|------|------|
|                     | Mt    | Cu % | Co % |
| Proved              | 3.52  | 3.45 | 0.43 |
| Probable            | 3.46  | 2.61 | 0.29 |
| Proved and Probable | 6.98  | 3.03 | 0.36 |
| Waste (Mt)          | 12.57 |      |      |
| Total (Mt)          | 19.55 |      |      |

# New Strategic 14.8% Investor – Huayou Cobalt



- Market capitalisation of US\$8 billion
- Independent integrated industrial business incorporating copper/cobalt mining, processing and refining – **essential to the downstream production of Li-ion batteries**
- Extensive experience operating in the DRC for over 10 years – runs several copper/cobalt operations
- Main products include cobalt tetroxide, cobalt oxide, cobalt hydroxide, cobalt sulphate
- Largest cobalt chemicals producer in the world, with annual production of 25,000 tons of these products (approximately 1/4 of total global cobalt production)



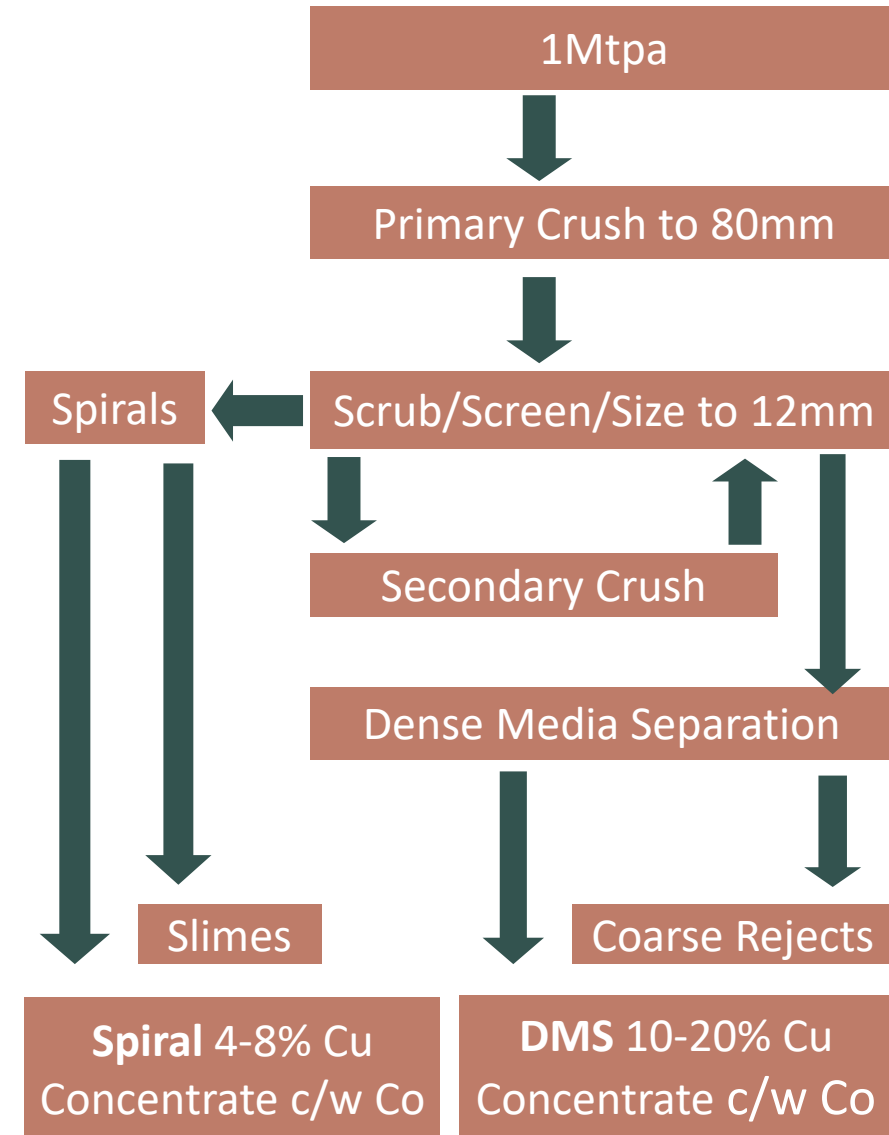


# Appendix - Simple and Robust Processing Flowsheet



- Good gravity recovery from DMS/ Spiral Circuit
  - Ability to produce saleable 10%, 15% & 20% **DMS** Cu concentrates and 4-8% **Spiral** Cu Concentrate
  - Average Overall Cu recovery of 64% for FS base case
  - Contained Co grades in concentrate of 0.3-2.5%
- Test work demonstrated excellent leach recoveries
  - Extraction of acid soluble copper was 98% within four hours
  - Co recovery was 90% recovery in two hours
- Excellent ore characteristics
  - Low clay content, non-typical for DRC copper/cobalt deposits
- Excellent potential product
  - Extremely low leachable impurities, highly attractive to potential customers

High quality product with low impurities



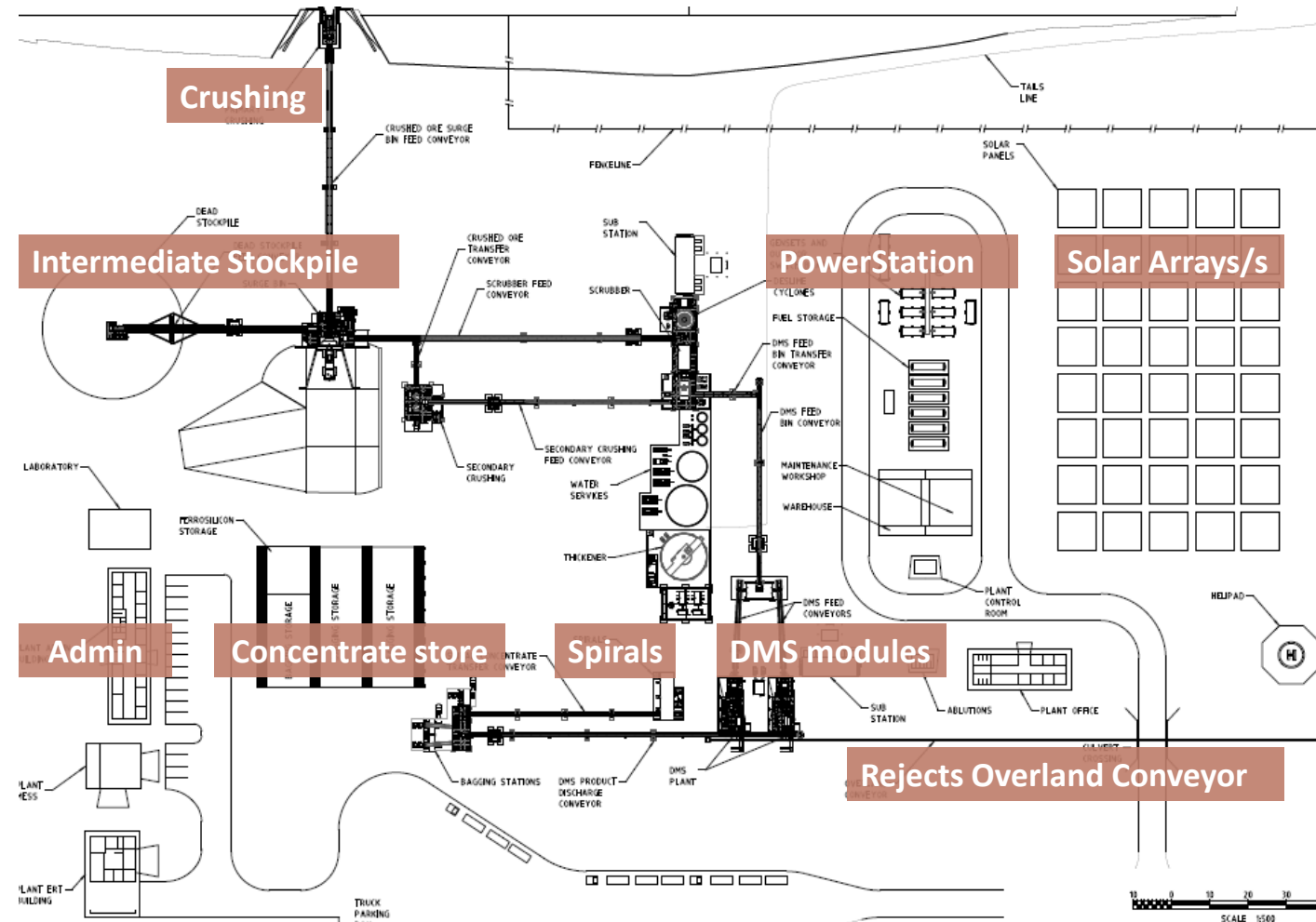
# Appendix – Simple Project Execution



- Two Principal Suppliers
  - *Due to packaged modular plant equipment selection, two suppliers will be responsible for entire crushing and processing plant*
- Short Lead-time
  - *Quoted deliveries of 18 weeks ex-works South Africa for all process plant items*
- Proven technology
  - *No new technology or processing methods to be employed... low technical risk*



## Modular Plant Approach

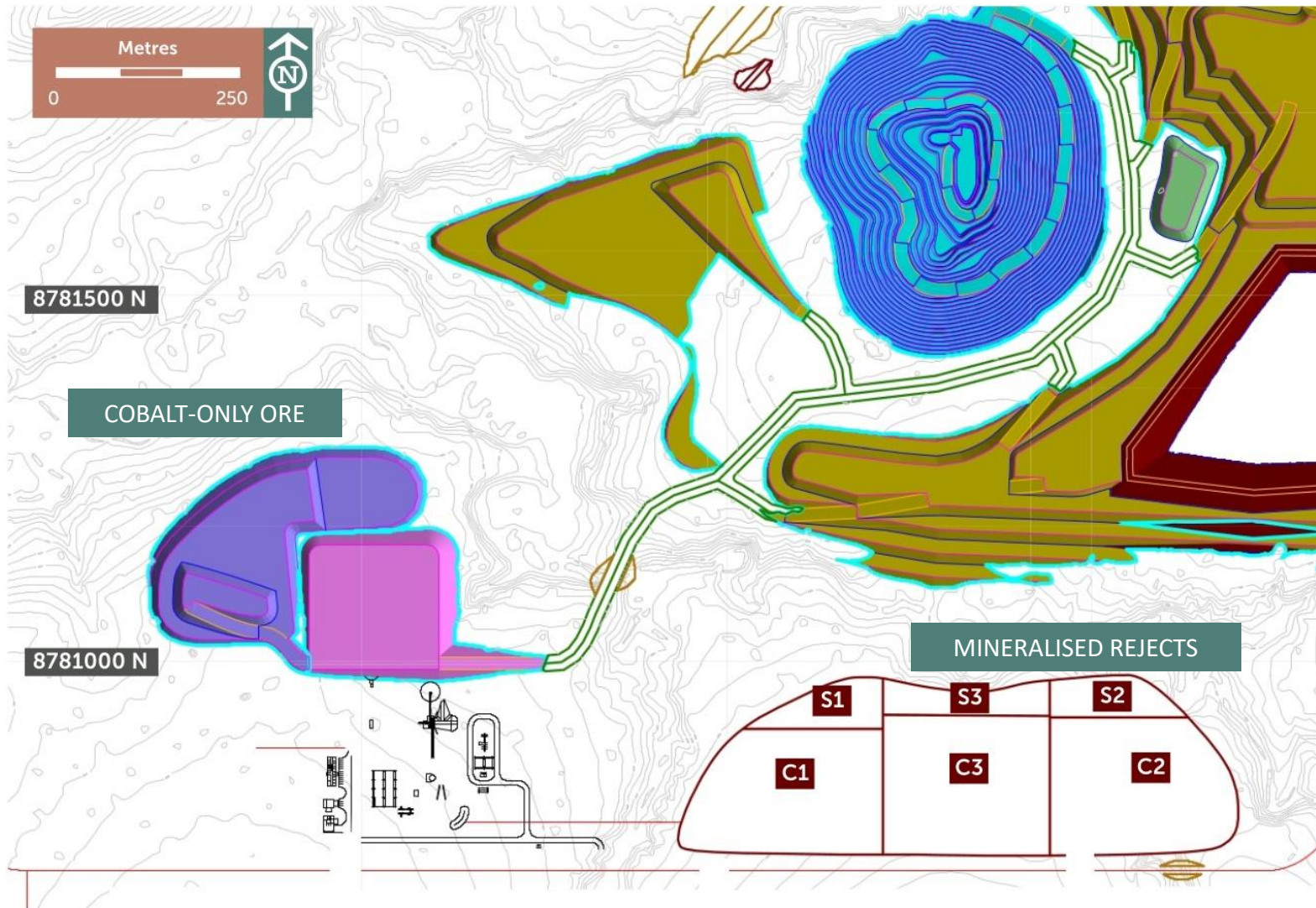




# The Opportunities – Growth and Optimisation



## Significant opportunities to enhance project economics post-DMS Feasibility Study



- 0.9\* million tonnes of cobalt-only ore. Cobalt-only ore @ 0.62% Co to be mined/stockpiled as part of Stage 1
- 5.2\* million tonnes of mineralised rejects:
  - 4.7Mt at 1.1% Cu/ 0.21% Co &;
  - 0.5Mt at 1.6% Cu/ 0.42% Co
- SX-EW toll-treatment plant/s under construction in the region – potential for improved payability, plant recovery and significantly reduced transport costs
- Future nearby power infrastructure – reduced plant OPEX
- Exploration upside with JV ground

\* figures based on 7 year Mine life