



31 October 2018

## **SEPTEMBER 2018 QUARTERLY ACTIVITIES REPORT**

### **Highlights**

#### **Kalongwe Copper-Cobalt Project, DRC**

- **Front End Engineering Design (FEED) study completed including detailed design works which will allow the Company to effectively tender the project on a potential EPC (engineering, procurement and construction) basis as part of project funding activities**
- **Environmental Plans for the Kalongwe Project completed in line with DRC regulatory requirements for Project Commencement required by the Mining Code**
- **Ongoing pre-development works to secure the mine site and enable a rapid transition into project development**
- **Crop compensation program successfully completed for farms/cropping within the Kalongwe Project Mine Permit PE12198 in line with DRC regulatory requirements**
- **Project funding opportunities currently progressing with in-country banks and potential off-takers**

#### **Exploration – Kalongwe and Fold & Thrust Belt JV**

- **Shallow zone of oxide copper mineralisation confirmed at Monwezi 2, located ~3.6km from Kalongwe**

### **Nzuri Copper Limited**

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## **Kalongwe Copper-Cobalt Project – Lualaba Province, Democratic Republic of Congo (“DRC”)**

### **Overview**

*The Kalongwe Copper-Cobalt Project (“Kalongwe”, the “Project”) is the Company’s flagship asset, a significant high-grade oxide near-surface copper-cobalt resource offering a low-CAPEX pathway to near-term production and cash-flow.*

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

*The Kalongwe Project hosts a near-surface JORC resource of 302,000t of contained copper (3.03% Cu grade) and 42,700t of contained cobalt (0.36% Co grade) as predominantly oxide ore (see ASX announcement of 5 February 2015 for further details).*

### **Completion of FEED Study**

The Front End Engineering Design (“FEED”) program outlined in the June Quarterly Report, which was undertaken by Lycopodium Limited, was completed during the September Quarter.

The completion of the FEED program has further advanced the project engineering from the Definitive Feasibility Study (“DFS”) stage to ~35% design completion, with a capital accuracy of  $\pm 10\%$ , and provided key engineering deliverables to enable a rapid ramp-up of project activities as well as enough detailed engineering for detailed EPC offers to be compiled as part of project funding activities.

The completion of the FEED program has therefore delivered the following:

- ✓ *Revised CAPEX at an improved accuracy  $\pm 10\%$ ;*
- ✓ *Re-tendering/costing of all key packages;*
- ✓ *A review of all operating cost assumptions;*
- ✓ *Completion of full site electrical design to an Issued for Construction (IFC) status;*
- ✓ *All key technical specifications issued to an IFC status;*
- ✓ *IFC earthworks drawings for mine services area, plant, explosives magazine, core farm & camp site completed;*
- ✓ *Plumbing design for the camp completed;*
- ✓ *Completion of revised plant layout/s to refine DFS layout plus to suit future SX-EW expansion/new pit designs;*
- ✓ *Revised plant road network and fencing layouts/design; and*
- ✓ *Design of mine services area.*

Importantly, the FEED works did not demonstrate any significant variances to the updated DFS outcomes published in April 2018.

Based on the completed FEED, the detailed engineering for the Kalongwe Project has now been advanced to stage to enable the Company to accurately tender and assess potential funded EPC offers as part of the project funding activities.

## Environmental

During the quarter, the Company completed the development of environmental management plans, compliant with relevant DRC regulations.

The environmental management plans, which cover flora and fauna, air quality, noise waste and biodiversity, are being prepared in line with applicable regulations and will form part of the environmental governance for the Kalongwe Project.

The preparation of the environmental plans included a site visit by JD International Consulting Pty Ltd to view and assess the site.

The completion of the environmental management plans is a key step in preparing for development and construction activities at Kalongwe.

## Kalongwe Stage 2 Metallurgical Leaching Testwork Program

The extensive metallurgical testwork program initiated in January 2018 continues at CORE in Brisbane.

As noted previously, outcomes from this work will provide key grinding and reagent consumption parameters to enable a full SX-EW DFS to be completed for Stage 2 of the Kalongwe Project. In addition, Dense Media (DMS) product samples are being generated for potential customers.

Completion of the test program is still anticipated in Q4 2018 with the remaining focus now on confirming the leaching characteristics of the DMS concentrate and tailings samples that have been produced as part of the program.



DMS Test rig



DMS sample produced from testwork activities

### **Engineering (other)**

Knight Piesold (KP) were engaged during the quarter to undertake the design of the tails storage facility and pit river diversion channel associated with the planned DMS processing plant. The work included:-

- Tails dam design and tender documentation for the construction of facility;
- River diversion design and tender documentation for the construction;
- Geotechnical assessment of the tails and process plant sites; and
- Supervision of a site-based geotechnical drilling and pitting program involving 120m of geotechnical drilling at tails and process plant sites plus multiple trenches at both sites.

As of the end of the quarter the site-based works were nearing completion and preliminary designs had been submitted and reviewed by the Company. This work is anticipated to be completed in the December 2018 Quarter.

### **Capital Works**

Pre-development capital works activities have continued during the quarter at Kalongwe to provide site-based facilities, accommodation and infrastructure to support the ongoing exploration works and enable the Company to expeditiously move into construction once development funding is secured.

During the quarter, works have focused on the following:

- 100% completion of site perimeter fencing and associated earthworks;
- Clearing of access tracks; and
- Completion of minor camp upgrades.

A retaining wall and steps for the previously assembled kitchen mess building, toilet and shower blocks was completed during the quarter. Perimeter fencing, including the closing up of gaps previously left for crops and culverts, was completed using local labour from the nearby village/s, providing further security for the Kalongwe site.

Preparation for the construction of the all-weather road from the Kamoia site has also been progressed during the quarter.

### **Site Activity Pictures**



Fencing Team



Completed fence line





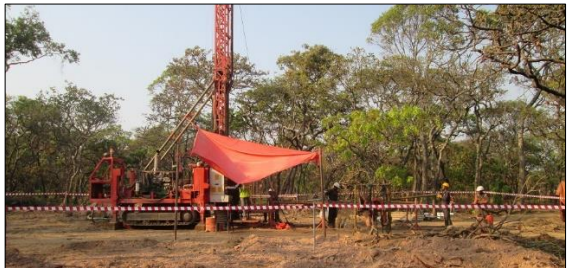
Completed fence line



Water services and genset area



New Kitchen/ Mess Hall completed



Geotechnical drilling at the tails dam



Geotechnical core

## Community

During the quarter, the Company completed the crop compensation associated with farmer's crops on land within the Kalongwe Mine Permit 12198, concurrently with the completion of the fencing activities associated with the permit. The compensation was managed by the Company in consultation with local chiefs, the provincial government (specifically Agripel, the office of the mining minister and the office of the Lualaba Governor).

Considerable community consultation was undertaken together with Agripel-led assessments of the crops as prescribed by the Governor and the representative of the Lualaba committee established to manage the compensation process in the province.

A total of US\$137,493 was paid to 119 farmers as compensation for farming crops impacted by the Kalongwe Project. Additionally, the Company – at its own discretion and in consultation

with the local chiefs – donated ~US\$20,000 worth of fertilizers to local villagers to assist with new planned farming activities for the coming wet season.

The compensation process was completed successfully, with positive feedback received from the local villagers and the Governor. The successful management of the impact of the Project fencing and compensation of impacted local famers is considered a key achievement from the Company in ensuring ongoing support of the Kalongwe Project by the local adjacent communities.

### **Exploration Update – Fold and Thrust Belt Exploration JV (“FBTJV”)**

*The Fold and Thrust Belt Joint Venture (“FBTJV”) with Ivanhoe Mines, which is managed by Nzuri, covers an area of the western Lufilian Arc, a fold belt that contains the world’s largest cobalt endowment and some of its richest copper deposits. The project includes numerous high-quality exploration targets and exploration over most of the ground is at a greenfields stage. Following a technical review at the end of 2017, the Company evaluated and prioritised several exploration targets on the joint venture ground for follow-up work.*

During the quarter, the Company continued its ongoing exploration program, with drilling undertaken at Monwezi 2, Kasangasi and Kambundji. The drilling results from these activities have confirmed the potential to define additional copper resources at the **Monwezi 2** prospect, located ~3.6km along strike to the south-west of the Kalongwe deposit, which could extend the mine life of the Kalongwe Project.

The results from these activities have been used to estimate a maiden Exploration Target at Monwezi 2 of between approximately **1Mt and 2.5Mt grading between 0.8% and 1.5% copper**. The Company cautions that this potential quantity and grade is conceptual in nature. There has been insufficient exploration to generate a Mineral Resource estimate for the Monwezi 2 prospect and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

These results follow the successful delineation of a zone of shallow high-grade cobalt mineralisation at Kalongwe SW, located just 800m south-west of the planned Kalongwe open pit.

### **Latest Drilling at Monwezi 2**

Large tracts of exploration ground within the FTBJV are prospective for typical stratiform copper (+/- cobalt) mineralisation within Mines Series rocks. Previous exploration at Monwezi 2 highlighted the potential for stratiform mineralisation in a fragment of Mines Series rocks (the predominant style of mineralisation in the Congolese Copperbelt), as well as the potential for structurally-controlled mineralisation.

The latest results have further upgraded the potential of the Monwezi target area as a potential source of additional stratiform mineralisation, confirming that shallow mineralisation commences from close to surface and extends over a strike length of at least 270m and to a vertical depth of at least 150m (Figure 1).

Recent drill-hole DKAL\_DD128 was designed to test the continuity of mineralisation between two holes drilled last year, namely DKAL\_DD124 (which intersected 20.2m @ 1.85% Cu from 47m down-hole) and DKAL\_DD49 (which intersected 4m @ 1.00% Cu from 138m down-hole).

The hole returned a mineralised intercept of **7.1m @ 0.82% Cu from 73.9m** and successfully tested the deposit at a vertical depth of 67m, with subsequent assay results from DKAL\_DD126 (which returned **5m @ 0.8% Cu** from 196m and **2.85m @ 2.32% Cu from 203.5m**) suggesting that the zone of mineralisation may extend up-dip to shallow depths (Figure 2).

Drill-hole DKAL\_DD125, which was drilled to extend the known mineralisation to the south-west, intersected a 3m zone of lower grade mineralisation (0.57% Cu) but did not intersect the Mines Series rocks which host mineralisation and is considered to close the fragment to the south-west. Drill-hole DKAL\_DD129, drilled to the north-east, intersected the target zone but did not return any significant assays.

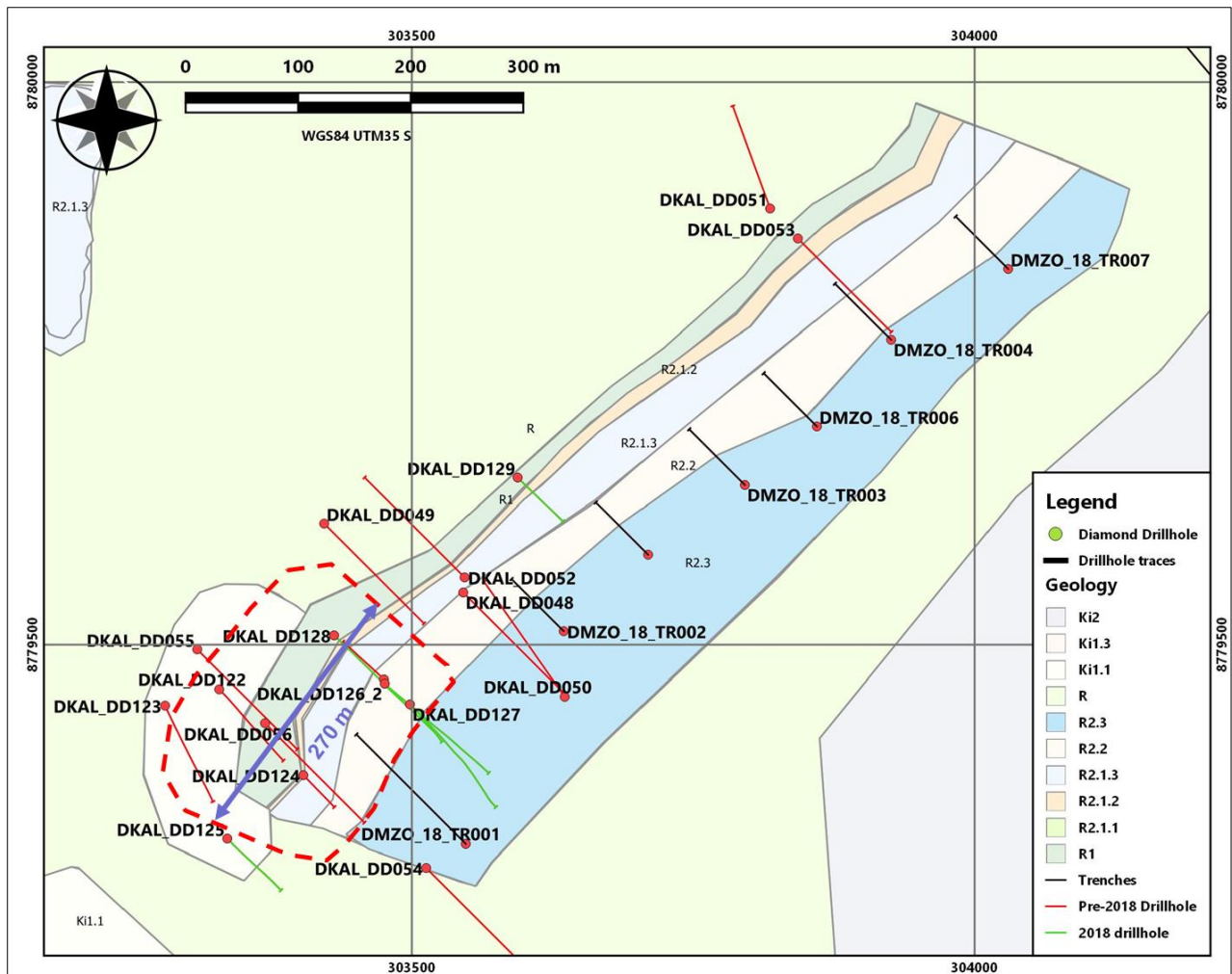


Figure 1: Plan showing recent drilling at Monwezi 2 and the location of the Exploration Target.



## Exploration Target

Based on these results, the Company has estimated an Exploration Target for Monwezi 2 of between approximately 1Mt and 2.5Mt grading between 0.8% and 1.5% copper. The Exploration Target is based on exploration results, three-dimensional modelling, both historical and recent, which includes 19 diamond drill holes and nine trenches. Assumptions include:

- Between 270m and 400m strike extent;
- A maximum depth of 150m;
- Average thickness of 20m; and
- An average grade of between 0.8% and 1.5% copper.

The Exploration Target is a zone of copper mineralisation at the Monwezi 2 prospect, approximately 20m true thickness which dips at 40 degrees to the north-west (Figure 2).

Copper grades tend to be variable and include high grades such as strong intercept in DKAL\_DD124 of 20.2m @ 1.85% Cu. The Company geologist anticipates an average grade range of between 0.8% and 1.5% copper.

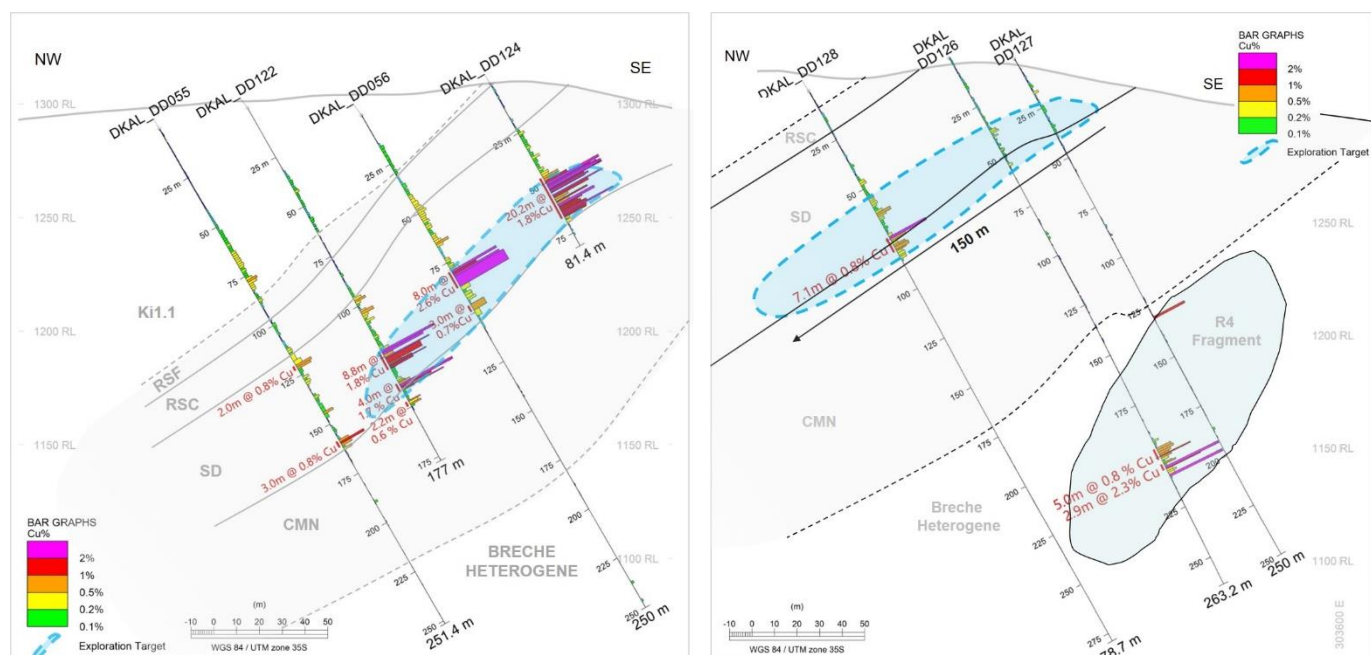


Figure 2: Section 1 (left) and 2 (right) showing the Exploration Target

The mineralisation style is typical of the Congolese Copperbelt and is like that found at the Kalongwe deposit, located about 3.6km to the north-east. Primary sulphide mineralisation at Monwezi 2 occurs as chalcopyrite blebs and veins hosted by the Shale Dolomitique (SD) unit of the Mines Series sub-group.

Within the supergene-enriched zone, sulphides converted to malachite, chrysocolla and chalcocite occur within the SD, RSF and occasionally in the RSC. Cores drilled to date show that supergene enrichment has occurred at Monwezi 2, resulting in an upgrading of copper grades close to surface.



The Exploration Target for Monwezi 2 was first disclosed in the Company's announcement of 3 October 2018 entitled "Nzuri Further strengthens pipeline of satellite resource targets with latest drilling at Monwezi 2". That announcement contains: (a) a detailed explanation of the basis for the Exploration Target, including specific description of the level of exploration activity already completed; (b) the exploration activities designed to test the validity of the Exploration Target and the timeframe within which those activities are expected to be completed; and (c) a summary of the exploration results on which the Exploration Target is based, and the nature of the results should also be stated, including disclosure of the current drill hole or sampling spacing and relevant plans or sections.

The disclosures included in the 3 October 2018 announcement remain up to date as at the date of this release.

### **Second Mineralised Zone at Monwezi 2**

The Company announced in June that it had intersected a second zone of mineralization associated with a quartz-carbonate-carrollite vein, hosted in sulphidic fine-laminated graphitic siltstones from a depth of about 192m in DKAL\_DD126 (see ASX Release, 20 June 2018).

The mineralised rock interval forms a separate fragment of Roan Sub-group sediments. The interval of black siltstones and vein returned an intercept of **17.75m @ 1.10 % Cu from 192.3m**, with the vein alone returning an interval of **10.25m @ 1.55% Cu and 0.15% Co** – which suggests that copper-bearing minerals other than carrollite occur within the vein.

Using the standard cut-off of 0.50% Cu, intercepts of **5m at 0.8% Cu** and **2.85m @ 2.32% Cu** and **1.2m @ 0.58% Co** can be reported.

Follow-up drill holes on the same section (DKAL\_DD127 and DKAL\_DD127, Figure 2) targeted the vein but it was only intersected in DKAL\_DD127. No results above the cut-off were obtained. Geometrically, this suggests that the vein possibly strikes at a high angle to the current drill orientation.

### **Additional Work**

A zone of 160m strike length between holes DKAL\_DD49 and DKAL\_DD129 (Figure 1) has not been effectively tested by recent or historical drilling and remains an area to potentially increase the scale of the Exploration Target.

The Monwezi 2 fragment is known to extend for an additional 500m of strike to the north-east of DKAL\_DD129 and has been sporadically and ineffectively tested by historical drill holes and recent trenching. Continuity of relevant stratigraphic host rocks has been confirmed by trenching. This 500m of potential strike extent is not included in the Exploration Target but remains an area of interest, further evaluation is planned.

Planning is underway for resource drilling and evaluation at both Monwezi 2 and Kalongwe SW, however this may be delayed due to the upcoming wet season. The additional work at Monwezi 2 is intended to test the Exploration Target.

## Corporate

The Company is actively pursuing several funding options for the development of the Kalongwe Project, including discussion with a number of in-country banks and potential concentrate off-takers within the Kolwezi region.

The Company issued 11,053,031 shares on conversion of Tembo Capital's convertible loan following approval by shareholders at the Company's general meeting held on 13<sup>th</sup> July 2018. The shares were issued on 16 July 2018, on the conversion of the \$2.93 million loan from Tembo Capital.

Additionally, 1,403,760 unlisted options were issued to executive directors of the Company on 16 July 2018, and 1,250,000 employee options issued on 25 July 2018. The options were issued for nil cash consideration and are exercisable at \$0.3395 and \$0.2492 each on or before 16 July 2028 and 25 July 2028, respectively. Exercise of the options is subject to satisfaction of vesting conditions.

Total issued capital at the end of the quarter 295,905,492. The Company's cash balance at the end of the quarter was \$6.3 million.

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**Tenement information in accordance with Listing Rule 5.3.3**

<b>Location</b>	<b>Tenement</b>	<b>Interest</b>	<b>Project</b>	<b>Held at start of Quarter</b>	<b>Held at end of Quarter</b>
DRC	PE12198	85%	Kalongwe Project	85%	85%
DRC	PR688	80% <sup>1</sup>	FTBJV	80% <sup>1</sup>	80% <sup>1</sup>
DRC	PR689	80% <sup>1</sup>	FTBJV	80% <sup>1</sup>	80% <sup>1</sup>
DRC	PR702	80% <sup>1</sup>	FTBJV	80% <sup>1</sup>	80% <sup>1</sup>
DRC	PR 690 <sup>2</sup>	80% <sup>1</sup>	FTBJV	80% <sup>1</sup>	80% <sup>1</sup>
DRC	PR701 <sup>2</sup>	80% <sup>1</sup>	FTBJV	80% <sup>1</sup>	80% <sup>1</sup>

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<sup>1</sup> As announced on 3 April 2018, Ivanhoe and Nzuri are in the process of completing the transfer of 80% of the share capital in the FTBJV vehicle to Nzuri. Until this process is completed, Nzuri will hold an 80% beneficial interest in the FTBJV.

<sup>2</sup> The permits PR690 and PR701 are restricted to the geological domain of the Fold and Thrust Belt (see Figure 1 of the announcement of 22 April 2015 for further details).

## **Competent Persons Statement**

### *Exploration results*

Scientific or technical information in this release that relates to Exploration Results was first released by the Company in its ASX announcements entitled 'High-grade cobalt results confirm potential satellite resource immediately along strike from Kalongwe' dated 20 June 2018 and 'Nzuri announces 2018 exploration program as drilling commences at new high-grade cobalt target' dated 3 April 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

### *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 that relates to the Ore Reserve estimate for the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16 April 2018. 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.

### *Production targets*

In accordance with ASX Listing Rule 5.19, the Company confirms that the production targets and forecast financial information in this release in respect to the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16 April 2018. The Company confirms that all the material assumptions underpinning the production targets and forecast financial information continue to apply and have not materially changed.

### *Exploration target*

Scientific or technical information in this release that relates to the Exploration Target for Monwezi 2 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.



## 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 1), 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 Kamoia-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.

### Kalongwe Ore Resource

Weathering Profile	Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
Oxide	Cu Only <sup>1</sup>	1.24 Mt @ 3.35% Cu	2.45 Mt @ 2.27% Cu	1.24 Mt @ 1.60% Cu	4.94	2.37	-	117,200	-
	Mixed <sup>3</sup>	2.07 Mt @ 3.76% Cu	1.67 Mt @ 2.72% Cu	0.35 Mt @ 1.98% Cu	4.08	3.19	0.66	130,000	26,800
Primary	Cu Only <sup>1</sup>	-	1.20 Mt @ 2.65% Cu	0.41 Mt @ 1.63% Cu	1.61	2.39	-	38,400	-
	Mixed <sup>3</sup>	-	0.51 Mt @ 3.06% Cu	0.03 Mt @ 2.22% Cu	0.54	3.02	0.52	16,400	2,800
	Total Cu in Cu Only and Mixed Domains	3.31 Mt @ 3.61 % Cu	5.83 Mt @ 2.55 % Cu	2.03 Mt @ 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>	0.37 Mt @ 0.66% Co	1.34 Mt @ 0.59% Co	0.38 Mt @ 0.43% Co	2.09	-	0.57	-	11,900
Primary	Co Only <sup>2</sup>	-	0.18 Mt @ 0.53% Co	0.02 Mt @ 0.43% Co	0.2	-	0.52	-	1,000
	Total Co Domains	0.37 Mt @ 0.66% Co	1.52 Mt @ 0.58% Co	0.40 Mt @ 0.43% Co	2.29	-	0.57	-	13,000
	Total Co in Mixed and Co-only Domains <sup>5</sup>				6.91	-	0.62	-	42,700

**Notes**

1 The Cu only domains were reported by selecting blocks with Cu >= 0.5%.

2 The Co only domains were reported by selecting blocks with Co >= 0.2%.

3 The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu >= 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 >= 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.

+Rule 5.5

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

NZURI COPPER LIMITED

#### ABN

23 106 294 106

#### Quarter ended ("current quarter")

June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,404)	(3,404)
(b) development	-	-
(c) production	-	-
(d) staff costs	(261)	(261)
(e) administration and corporate costs	(81)	(81)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,714)</b>	<b>(3,714)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(7)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(7)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	550	550
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>550</b>	<b>550</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,446	9,446
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,714)	(3,714)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	550	550
4.5	Effect of movement in exchange rates on cash held	14	14
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,289</b>	<b>6,289</b>



<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	872	1,611
5.2 Call deposits	5,417	7,835
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,289</b>	<b>9,446</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	163
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payment of executive and non-executive directors' fees, salaries and superannuation.	

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	2,137
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	465
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>2,852</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 31/10/2018

Print name: Hannah Hudson

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.