



31 July 2018

JUNE 2018 QUARTERLY ACTIVITIES REPORT

Strong progress at Kalongwe Copper-Cobalt Project with successful \$6m capital raising, updated Feasibility Study and positive near-mine exploration results

Highlights

Kalongwe Copper-Cobalt Project, DRC

- Updated Feasibility Study delivered significantly enhanced financial metrics, including a 59% increase in post-tax NPV and a 38% increase in post-tax IRR, with unchanged capital requirements and project scope.
- Increase in Kalongwe JORC Ore Reserve to 7.99Mt at 2.94% Cu and 0.34% Co for 234,868t of Cu and 27,102t of Co (adding 11% Cu and 8% Co).
- Preliminary Economic Analysis of SX-EW processing also completed, highlighting further potential increases to the returns and mine life from higher copper-cobalt output and revenue.

Exploration – Kalongwe and Fold & Thrust Belt JV

- New high-grade cobalt results confirm near-surface resource potential at Kalongwe-SW.
- Drilling undertaken at Monwezi 2, Mamba targets and Kalongwe SW.

Corporate

- \$6M raised in successful placement and convertible loan, with an additional \$0.6M raised in July 2018 through the Share Purchase Plan (“SPP”).
- Strong cash position of \$9.446M at 30 June (with an additional \$0.6M received in July 2018 from the SPP).

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).

Updated Feasibility Study

An updated Stage 1 Feasibility Study (“FS”) for the Kalongwe Project was released in April 2018. The updated FS showed significant improvements from the initial DFS released in October 2017 across all key financial metrics, including a 59% increase in post-tax NPV and a 38% increase in post-tax IRR, with unchanged capital requirements and project scope.

The updated FS is driven by two principal changes:

- (1) Updated long-term cobalt pricing of US\$81,500/t; and
- (2) An updated point-of-delivery for product produced by the DMS plant, namely Kolwezi as opposed to Lubumbashi.

The updated FS was completed to an accuracy of $\pm 15\%$. Fundamentals remain as per the October 2017 Announcement (i.e. an open pit mining operation utilising an on-site 1Mtpa Dense Media Separation (“DMS”) processing plant to produce two high-quality dry saleable concentrate products suitable as a feedstock for off-site SX-EW processing).

Capital, technical and overarching parameters for the Project remain unchanged from those announced on 16th October 2017.

Incorporating the revised commodity pricing and point-of-delivery, the Project is forecast to produce 137,848tpa of DMS and spiral concentrate products, equivalent to annual average metal production of 18,657tpa of copper and 1,370tpa of cobalt for a mine life of 8 years.

An updated Ore Reserve estimate was also driven by the two principal changes, with Kalongwe now having a reserve of 7.99Mt at 2.94% Cu and 0.34% Co for 234,868t of contained copper and 27,102t of contained cobalt.

This represents an 11% increase in contained copper and an 8% increase in contained cobalt compared with the maiden Ore Reserve published in October 2017. All production targets and forecast financial information in respect of Stage 1 are underpinned 100% by Ore Reserves.

Kolwezi continues to emerge as a key strategic centre for the purchase and processing of concentrates in the DRC, and Nzuri has progressed discussions with several potential off-takers since the original FS was completed in 2017.

The strong outcomes from the updated Stage 1 FS significantly enhance the platform for the Company to secure project financing for the Kalongwe Project.

Kalongwe Stage 2 SXEW Preliminary Economic Analysis

During the Quarter, the Company received the results of a Preliminary Economic Analysis undertaken by Lycopodium Minerals on potential expansion options for the Kalongwe Stage 2 Project. This Study focused on potential SX-EW processing options for the deposit and incorporated updated Ore Reserve estimates completed by Orelogy.

A standard copper-cobalt oxide hydrometallurgical flowsheet was used as the basis for analysis. Deliverables from the initial high-level study carried out by Lycopodium included a Block Flow Diagram, process design criteria, operating cost estimates (+/-40%) and capital and cost estimates (+/-50%), which were used by Orelogy to generate preliminary pit shells/production profiles

Six options were evaluated in the Preliminary Economic Analysis and were reported on April 16th. The results clearly demonstrated that the development of an SX-EW Circuit to process DMS-generated mineralized rejects and cobalt-only ore later in the project life generated the strongest return with an IRR of 91%.

The preferred option is shown in the table below relative to the updated Stage 1 FS results:

Metric	2018 Updated FS	Kalongwe With Stage 2
NPV_{10%} US\$ (pre/post-tax)*	US\$186M / US\$130M	US\$340M
IRR % (pre/post-tax)*	99% / 76%	91%
Annual Production	18,657t Cu & 1,370t Co (Cu/Co-in-concentrate)	18,657t Cu & 1,370t Co (8 yrs) (Cu/Co-in-concentrate) 10,230t Cu & 2,400 Co (7yrs) (Cu cathode and Co hydroxide)
LOM Production (Cu/Co)	149,258t Cu & 10,964t Co (Cu/Co-in-concentrate)	221,000t Cu & 28,100t Co (Cu/Co-in-concentrate & Cu cathode/ Co hydroxide)
LOM (years at 1Mtpa throughput)	8 years	14 years
External Funding US\$ (exc. working capital)	US\$53M	US\$53 (DMS BUILD) (US\$220M Funded from cashflow)

Table 1. Updated Stage 1 Feasibility Study results

Cautionary Statement – Preliminary Economic Analysis

The information in this report that relates to the Preliminary Economic Analysis for Stage 2 of the Kalongwe Project is extracted from the Company's ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16 April 2018'

(Announcement). The Preliminary Economic Analysis was undertaken to assess potential options for the Kalongwe Stage 2 Project, focused on leaching/SX-EW processing options for the deposit. It is a preliminary technical and economic study of the potential viability of Stage 2 of the Kalongwe Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves in addition to the existing ore reserve estimate of the Company for Stage 1 of the Project. Further engineering, testwork and mine planning are required before the Company will be able to estimate any additional ore reserves or to provide any assurance of an economic development case for Stage 2.

The Preliminary Economic Analysis is based on the material assumptions outlined in the Announcement. These include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Preliminary Economic Analysis will be achieved. To achieve the range of outcomes indicated in the preferred Preliminary Economic Analysis option, external funding of in the order of \$53 million will likely be required. Investors should note that there is no certainty that Nzuri will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Nzuri's existing shares.

The Company is in a strong financial position with no debt, its Board has a positive financing track-record with the Company, and its substantial shareholders include a supportive institutional fund in Tembo Capital (comprised of Tembo Capital Mining Fund LP and Ndovu Capital VI B.V), and a subsidiary of Huayou Cobalt, which is an integrated industrial business incorporating copper/cobalt mining, processing and refining essential to the downstream production of Li-ion batteries, and has extensive experience operating in the DRC. The Company also has a declared Ore Reserve estimate for Stage 1 of its Kalongwe Project and has engaged in discussions for several potential offtake customers. On this basis, successful delivery of development milestones, including a feasibility study for Stage 2 with appropriate economic metrics, is expected to support ongoing convergence of the Company's market capitalization with its future funding requirements. The Board therefore considers that it has a reasonable basis to expect that the Project's development capital costs for Stage 2 could be funded following the completion of the proposed feasibility study. Further, the Company anticipates that the capital costs for Stage 2, which is due to commence 8 years following commencement of Stage 1, will be funded from production during Stage 1. It is also possible that Nzuri could pursue other 'value realization' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Nzuri's proportionate ownership of the project. Nzuri is currently evaluating all possible funding and development scenarios and appropriate debt and equity solutions with the aim of maximizing shareholder returns. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Preliminary Economic Analysis.

Kalongwe Stage 2 Metallurgical Leaching Testwork

The extensive metallurgical testwork program initiated last quarter continues at CORE in Brisbane with completion anticipated in early Q4 2018.

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

To date:

- All sample characterisation testwork (UCS1/Cwi/SMC1/BMWi1) is complete;
- All samples have been crushed;
- All samples have been assayed on 1m intervals from the 700m⁺ of core collected from site; and
- Time-based samples are currently composited to reflect the actual mine plan ahead of a DMS simulation program expected to commence in early August.

Capital Works

The Company has continued to progress a program of site-based early capital works at the Kalongwe Project. These works are designed both to secure and close off the site from a security perspective and to provide site-based facilities, accommodation and infrastructure to support a future construction program. The works have focused on the following:

- On-site accommodation;
- Asset security;
- Communications; and
- Site access.

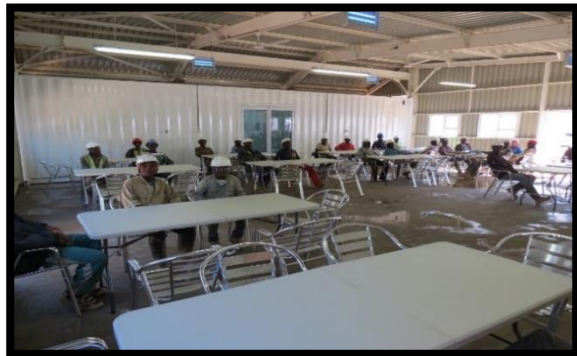
Accommodation units commenced in 2017 were completed during the quarter, a kitchen mess building plus toilet and shower blocks were assembled, a new sewage sediment trap was installed, and a water storage and filtration area was constructed. All electrical and plumbing associated with new infrastructure was also completed

Fencing of the site perimeter continues to advance steadily using local labour from the nearby village. The existing exploration camp was also electrically rewired to meet appropriate standards.

A contract was signed with Vodacom and installation of a 3G phone tower (on a hill within the Kalongwe mine permit) commenced during the quarter. This will facilitate 3G coverage for the entire mine permit and surrounding exploration areas, with the potential for a future full microwave link from Ivanhoe's Vodacom tower. An earthworks manager was also appointed during the quarter and is now on-site in preparation for construction of the all-weather road from the Kamoia site. (A full design by Lycopodium and environmental approval for the road was completed in late 2017).

Formal notification of the planned works has been sent to DRC authorities, route survey is underway, culvert assembly has commenced, and site access road construction is expected to begin during Q3 2018.

Site Activity Pictures



Accommodation, kitchen and eating mess area



New water storage/filtration and gensets



3G phone tower footings



3G phone tower



Assembled road culverts

Front End Engineering Design (FEED)

The FEED program initiated early last quarter was substantially completed in late July by appointed engineers Lycopodium. The aim of the FEED works was twofold:

1. To advance the project from the DFS-level project engineering to approximately 35% design completion, improve project capital accuracy to $\pm 10\%$, and provide key engineering deliverables to enable rapid ramp-up of project activities once a Final Investment Decision has been made;
2. To provide sufficient detailed engineering for detailed EPC offers to be compiled as part of project funding activities.

At the end of the June quarter: -

- ✓ The project layout had been substantially reworked to allow for the Stage 2 future expansion and revised pit design;
- ✓ All key specifications have been issued at IFC (Issued for Construction/Ready to Build stage);
- ✓ All flowsheets/lists have been updated, and an instrumentation review undertaken;
- ✓ All key packages have been re-tendered and evaluated to an award stage;
- ✓ All earthworks drawings have been taken through to IFC status for camp/plant/internal site roads;
- ✓ Camp layout has been locked in and all plumbing designed; and
- ✓ A rework of the capital estimate was nearing completion.

Exploration Update – Kalongwe

In May 2018, the Company announced new drilling and trenching results from its ongoing exploration program on the existing Kalongwe Mining Licence. Recent trenching and drilling at the newly-identified, near-surface high-grade cobalt prospect at Kalongwe SW, located ~800m from the Kalongwe deposit, has returned numerous high-grade assay results.

The program at Kalongwe SW was designed to target high-grade cobalt mineralisation following encouraging recent trenching results in several Mine Series rocks identified during recent geological mapping. A total of 10 holes for 1,325m have been drilled at Kalongwe SW with 12 trenches for 1,250m also completed. During Q2, a total of 731m was drilled at Kalongwe SW. Refer to Table 1 for details.

The results from recent diamond drilling and trenching at Kalongwe SW confirm a high-grade zone of cobalt mineralisation with encouraging near-surface resource potential.

Two traverses of three diamond drill holes each were drilled to test the depth extent of high grade mineralisation exposed at surface by trenches. Drilling identified a mineralised zone containing secondary cobalt mineralisation in the form of Hetrogenite (Cobalt hydroxide CoOH). The zone is approximately 14m wide returned grades of 0.15% Co to 0.3% Co, with near-surface enrichment exceeding 1% Co. Copper concentration is generally low.

The mineralised zone dips variably to the north-west at 30° to 45° degrees. At present, the mineralisation has been confirmed over a strike extent of approximately 300m and remains

open in all directions. For further details, please refer to the Company's announcement of 20 June 2018.

Target	Licence	Activity	Q-2 metres	Year-to-date metres
Kalongwe SW	PE12198	DD Drilling	731.1	1,325.8
		Trenching	0	1250
Total			731.1	2,575.8

Table 2: Work Summary: PE12198, 2018

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 is considered to offer 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, drilling was undertaken at the Monwezi 2 and Mamba targets with trenching also undertaken at Mamba. A total of 766m of drilling and 130m of trenching was completed. Refer to Table 2 for details.

At Monwezi 2, the Company completed two diamond drill holes designed to test the sub-surface continuity of the Mines Series fragment and the near-surface copper enrichment. Assays are expected in the coming weeks. Diamond drilling was also undertaken the Mamba target during Q2, with additional rigs to be mobilised to test targets at Kambundji and Kasangasi in line with the 2018 drill program.

Target	Licence	Activity	Q-2 metres	Year-to-date metres
Monwezi 2	PR688	DD Drilling	509.8	509.8
Mamba	PR702	DD Drilling	255.7	255.7
Total			765.5	765.5
Monwezi 2	PR688	Trenching	0	855
Mamba	PR702	Trenching	130	130
Total			130	985

Table 3: Work Summary – FBTJV project, 2018

Over the coming months, the Company plans to target the following key regional prospects (Figure 1):

- Further follow-up work at Monwezi 2;

- The next phase of diamond drilling to be undertaken at Kasangasi; and
- RC drilling at Kambundji.

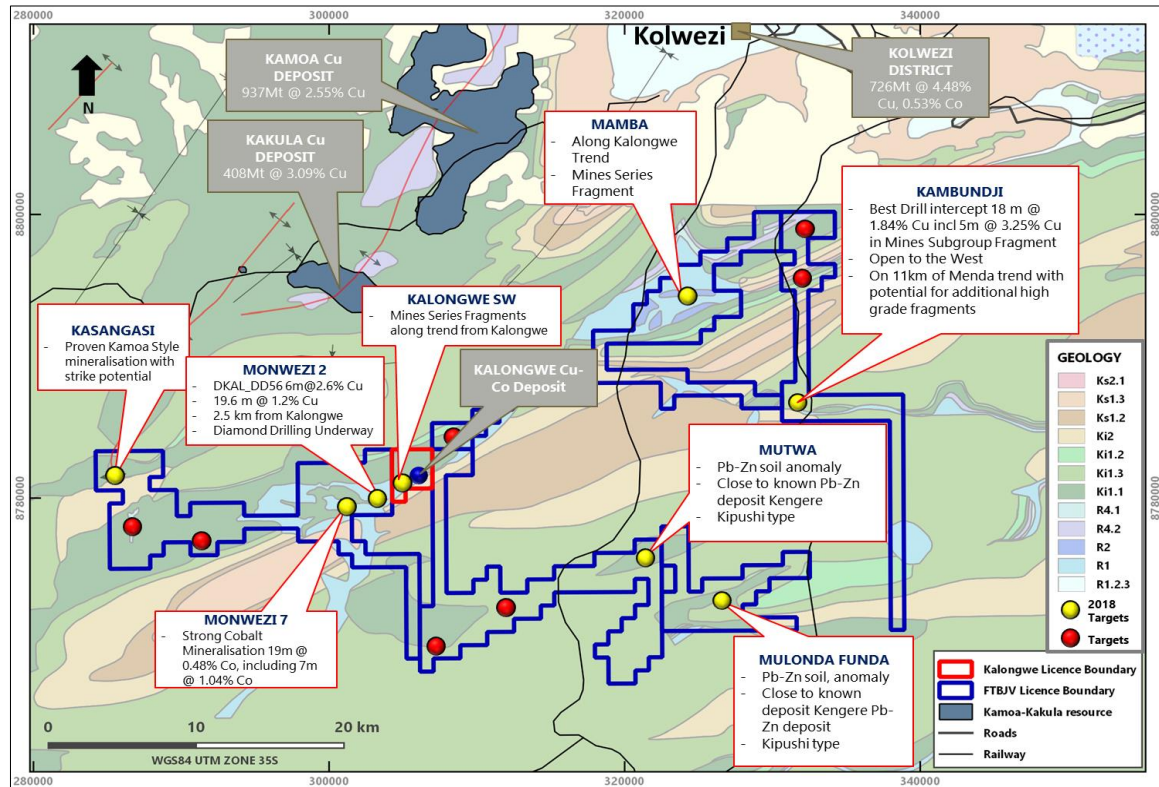


Figure 1. Key targets for the 2018 exploration program

Community/Environment

A community meeting was held at Kalongo village adjacent to the Kalongwe Permit in July to inform and seek feedback from the local community on the planned upcoming roadworks. The Company has also commenced a crop compensation process to identify and compensate local seasonal farmers within the Kalongwe lease, which is now being progressively fenced.

Community awareness sessions were also held with local communities and Vodacom representatives to explain the impact and significance of the installation of the Vodacom tower at the Kalongwe Project site, which commenced during the quarter.

The tower will facilitate reliable 3G telephone and internet coverage for the site and all surrounding communities, which currently is only covered with very limited telephone access due to placement of the current small tower in Kalongo village.

The annual environmental audit was successfully undertaken by local contractor BEEC.

The Company also commenced drafting a series of environmental management plans during the quarter covering flora and fauna, air quality, noise waste and biodiversity, etc. The plans are being prepared in line with applicable regulations and will form part of the environmental governance for the Kalongwe Project.

Corporate

On May 30th, Company announced a successful capital raising of \$6 million by way of a private placement to international and sophisticated investors, and a convertible loan from Tembo Capital. A total of 12,026,380 shares were issued in June 2018 from the private placement, raising \$3.07 million (before costs).

The issue of shares on conversion of Tembo Capital's convertible loan was approved by shareholders at the Company's general meeting held on 13th July 2018. A total of 11,503,031 shares were issued on 16 July 2018, on the conversion of the \$2.93M loan from Tembo Capital.

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

A Share Purchase Plan (SPP) was also undertaken during the quarter, raising \$0.6 million from the issue of 2,188,248 shares. Total issued capital following the private placement, SPP and loan conversion share issues is 295,905,492. The Company's cash balance at the end of the quarter was \$9.446 million.

For further information, please contact:

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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.

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 km², 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.

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 (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,187)	(10,394)
(b) development	-	-
(c) production	-	-
(d) staff costs	(220)	(775)
(e) administration and corporate costs	(30)	(1,089)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	68
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.9 Net cash from / (used in) operating activities	(2,416)	(12,191)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(68)
(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 (12 months) \$A'000
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(15)	(68)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	3,067	13,067
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	(161)	(661)
3.5	Proceeds from borrowings	2,933	2,933
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)	-	-
3.10	Net cash from / (used in) financing activities	5,839	15,339
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,969	6,297
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,416)	(12,191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(68)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,839	15,339
4.5	Effect of movement in exchange rates on cash held	69	69
4.6	Cash and cash equivalents at end of period	9,446	9,446

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,611	439
5.2 Call deposits	7,835	5,530
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,446	5,969

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

**Current quarter
\$A'000**

174

-

Payment of executive and non-executive directors' fees, salaries and superannuation.

7. Payments to related entities of the entity and their associates

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

**Current quarter
\$A'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	2,933	2,933
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.		

During the quarter, Tembo Capital (comprised of Tembo Capital Mining Fund LP and Ndovu Capital VI B.V.) advanced the Company a loan of approximately \$2.93 million, on an interest-free and unsecured basis. Subsequent to the quarter end, the loan has been converted in full to ordinary shares in the Company. Please refer to announcement of 30 May 2018 appendix 3b lodged 16 July 2018, for further details.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	3,987
9.2	Development	-
9.3	Production	-
9.4	Staff costs	240
9.5	Administration and corporate costs	429
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	4,656

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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: 31/7/2018

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.