



20th June 2018

ASX: NZC

**EXPLORATION UPDATE**

**HIGH-GRADE COBALT RESULTS CONFIRM POTENTIAL SATELLITE RESOURCE IMMEDIATELY ALONG STRIKE FROM KALONGWE**

**Highlights**

- New results from recent diamond drilling and trenching at Kalongwe SW, just 800 m east of the planned Kalongwe open pit, confirm a high-grade zone of cobalt mineralisation with excellent near-surface resource potential:

***Diamond drilling:***

- 5.4m @ 0.45% Co from 37m; and 2.7m @ 0.25% Co from 48.75m (DKALSW\_DD006)
- 12m @ 0.20% Co from 34m; and 12m @ 0.33% Co from 49m (DKALSW\_DD008)
- 23m @ 0.21% Co from 13m and 3.2m @ 0.24% Co and 0.44% Cu from 43.8m (DKALSW\_DD005);
- 14m @ 0.12% Co from 39m (DKALSW\_DD003)

***Trenching:***

- 10m @ 1.28% Co (KAL\_17\_TR001)<sup>1</sup>
- 10m @ 0.58% Co, including 2m at 1.6% Co in trench (KAL\_18\_TR001)
- 14m @ 0.36% Co in trench (KAL\_18\_TR003)
- 6m @ 0.20% Co and 4m @ 0.22% Co in trench (KAL\_18\_TR002)
- 12m @ 0.18% Co in trench (KAL\_18\_TR008)

- Planning is now underway for resource drilling at Kalongwe SW
- In addition to Kalongwe SW works, significant zones of oxide copper plus deeper copper-cobalt sulphide mineralisation have been intersected in recent diamond drilling at Monwezi II, some 2.5km further along strike to the west of Kalongwe, highlighting the potential for a new discovery. Assays are awaited prior to further scheduled work in 2018.
- Diamond drilling is currently underway at the Mamba target, with additional rigs to be mobilised to test targets at Kambundji and Kasangasi in line with the 2018 drill program.

<sup>1</sup> Previously announced, refer ASX announcement, 3 April 2018

Nzuri CEO Mark Arnesen said the Company's 2018 exploration program is delivering exciting results on several fronts, with the latest drilling highlighting two emerging discoveries right on the doorstep of the Kalongwe Copper-Cobalt Project.

*"Kalongwe SW emerged as a priority near-mine target earlier this year following high-grade results from initial trenching. Our first diamond holes into this prospect have confirmed this potential, returning thick intercepts of strong cobalt mineralisation which has now been confirmed by drilling and trenching over a strike length of at least 300m.*

*"Given its proximity to the proposed open pit development and processing plant at Kalongwe, Kalongwe SW is emerging as a strategic primary high-grade cobalt deposit which could represent a significant strategic addition to our resource inventory at Kalongwe.*

*"In the meantime, recent drilling has also enhanced the potential at Monwezi II, located 2.5km east along strike from Kalongwe. Assays are awaited for the latest diamond holes which have intersected significant zones of oxide copper and of particular interest deeper cobalt sulphide mineralisation."*

Nzuri Copper Limited (ASX: NZC) (**Nzuri** or the **Company**) is pleased to announce significant new drilling and trenching results from its ongoing exploration program on the Kalongwe Mining Licence at its 85%-owned Kalongwe Copper-Cobalt Project, located in the Western Katangan Copperbelt in the Democratic Republic of Congo (**DRC**).

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 was designed to target high-grade cobalt mineralisation following encouraging recent trenching results in several Mine Series rocks identified during recent geological mapping.

The results clearly indicate the potential to delineate a JORC compliant Mineral Resource at Kalongwe SW in the near-term, and planning has already commenced to undertake a step-out drilling programme to underpin a JORC compliant Mineral Resource Estimation.

At Monwezi II, the Company has completed two diamond drill holes designed to test the sub-surface continuity of the fragment and the near-surface copper enrichment. Geological logging of the core indicates that these holes were successful, with one hole intersecting a significant zone of oxide copper mineralisation and the other a zone of sulphide cobalt mineralisation. Assays are awaited prior to further planned work at Monwezi II in 2018.

### **Kalongwe SW – Initial Results**

Following the significant cobalt grades encountered in exploration trenches in proximity to the planned Kalongwe pit (ASX release April 3<sup>rd</sup>, 2018), and in light of the near-surface location of mineralisation, the Company extended its systematic trenching and commenced a diamond drilling program to further evaluate the Kalongwe SW prospect. The potential to delineate significant copper-cobalt mineralisation so close to the Kalongwe open pit makes this an attractive and high-priority near-mine exploration target for the Company.

A total of 10 holes for 1,325m have been drilled at Kalongwe SW with 12 trenches for 1,500m also completed, the majority of which have been focused on the Southern Fragment (Figures 1 and 2).

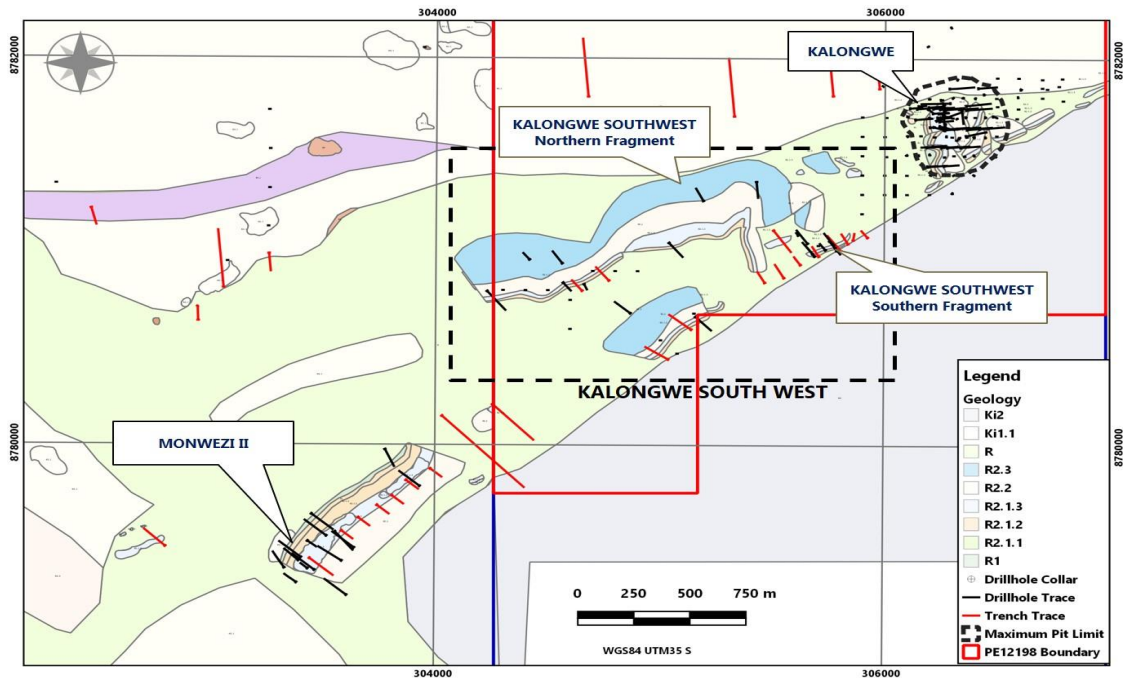


Figure 1. KALSW showing drilling, trenching, Kalongwe ultimate pit extent and fragment locations.

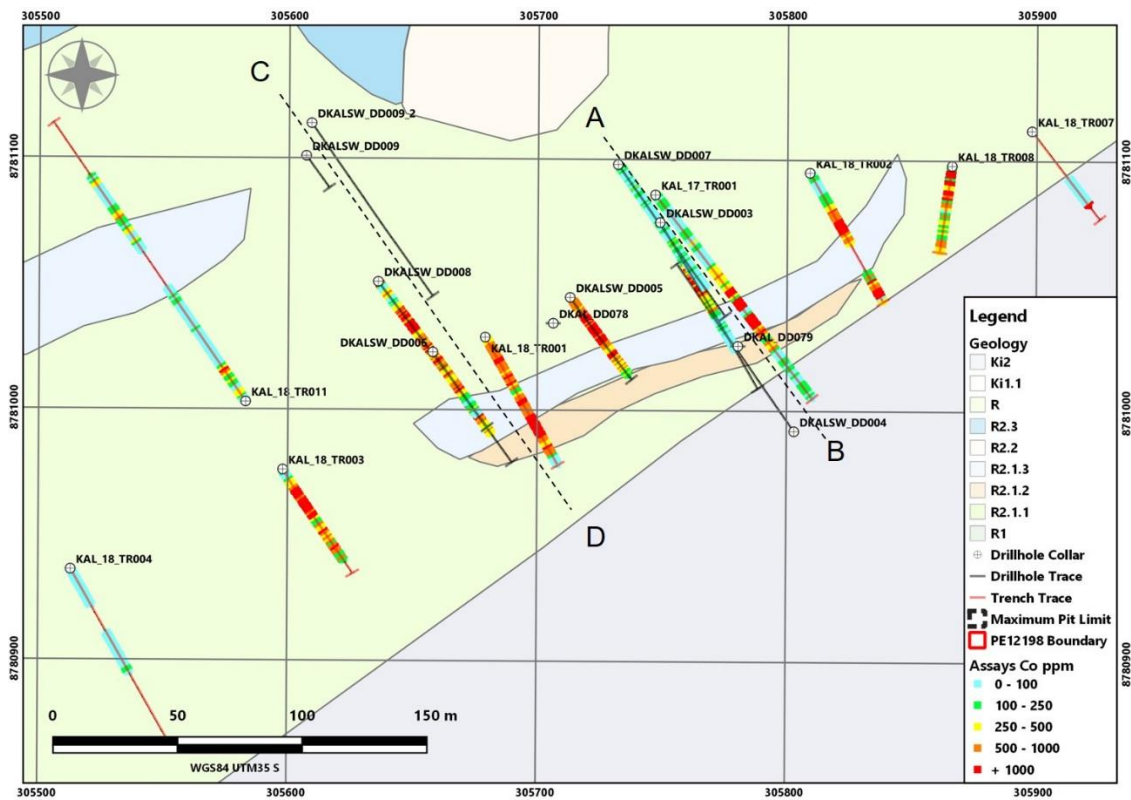


Figure 2. KALSW Southern Fragment detailed view, showing drilling, trenching and section locations.

Assays from trenches and drill-hole cores have returned high-grade cobalt results, the better of which are listed below. A complete list of intercepts is included in Appendix 1.

**Drill holes**

DKALSW_DD003	14m @ 0.12% Co from 39m
DKALSW_DD005	23m @ 0.21% Co from 13m; and 3.2m @ 0.24% Co and 0.44% Cu from 43.8m
DKALSW_DD006	8m @ 0.16% Co from 19m
DKALSW_DD006	5.4m @ <b>0.45% Co</b> from 37m; and 2.7m @ 0.25% Co from 48.75m
DKALSW_DD008	12m @ 0.2% Co from 34m 12m @ <b>0.33% Co</b> from 49m, 5m @ 0.11% Co from 79m, 2m @ 0.12% Co and <b>0.87% Cu</b> from 104m; and 2m @ 0.26% Co and <b>1.52% Cu</b> from 113m

**Trenches**

KAL_17_TR001	10m @ <b>1.28% Co</b> ( <i>Previously announced, refer ASX announcement, 3 April 2018</i> )
KAL_18_TR001	<b>10m @ 0.58% Co, including 2m at 1.6% Co</b>
KAL_18_TR002	<b>6m @ 0.20% Co and 4m @ 0.22% Co</b>
KAL_18_TR003	14m @ <b>0.36% Co</b>
KAL_18_TR008	12m @ 0.18% Co

The mineralisation is associated with weathered Mines Series rocks that were originally mapped over a strike length of ~230m. Trenching at 50m spacing has extended the strike length to ~300m. Two traverses, each including three diamond drill holes, have also been completed to test the down-hole extent of mineralisation. These are shown in Figures 3 and 4 respectively.

The sampling results indicate a strong near-surface enrichment (within 50m below surface) of cobalt mineralisation. Based on these positive results the Company is designing a work program for systematic shallow-depth drilling to test the near surface 50m of the Mines Series fragment to establish a JORC Mineral Resource for Kalongwe SW.

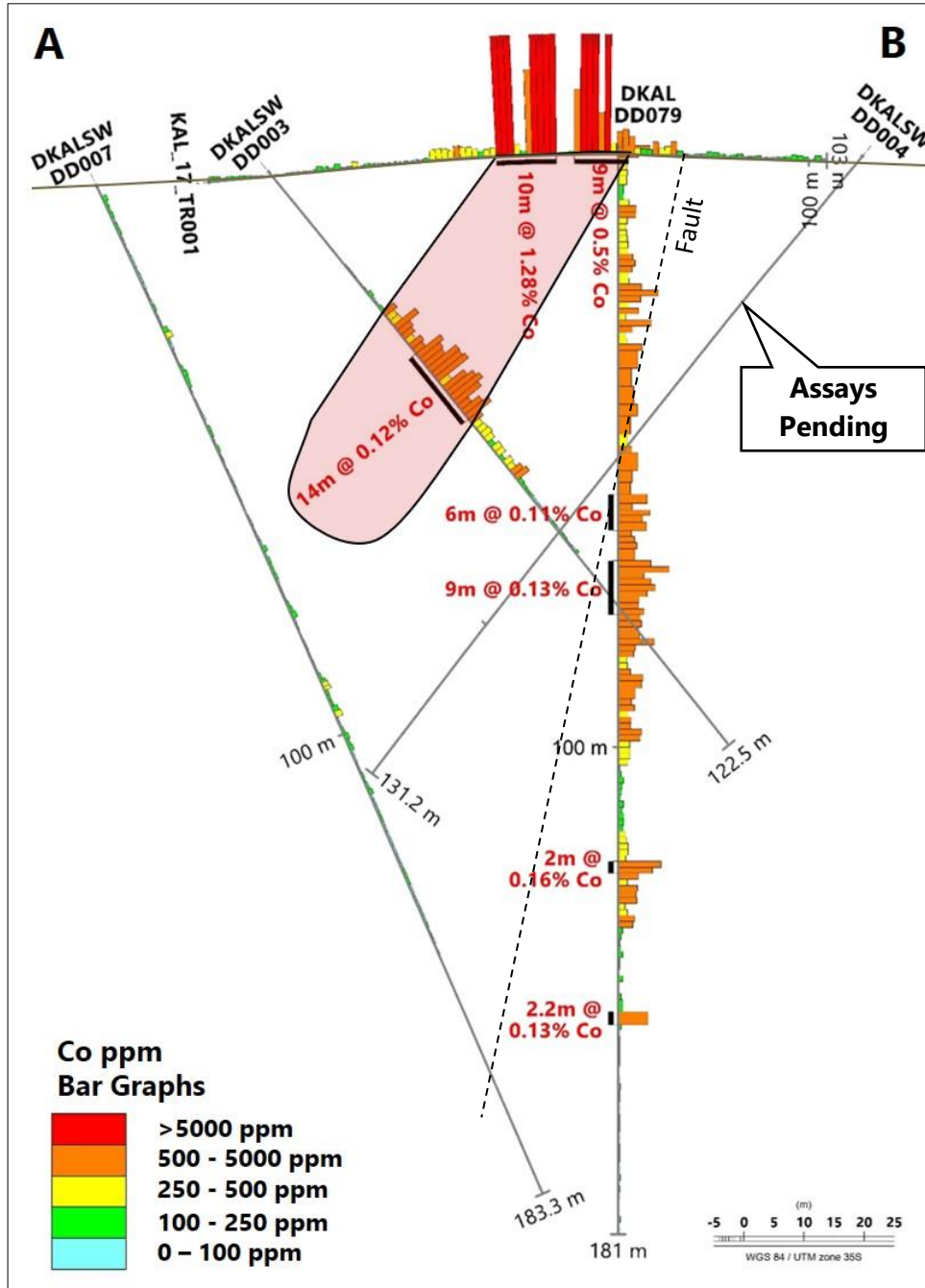


Figure 3. KALSW section A-B.

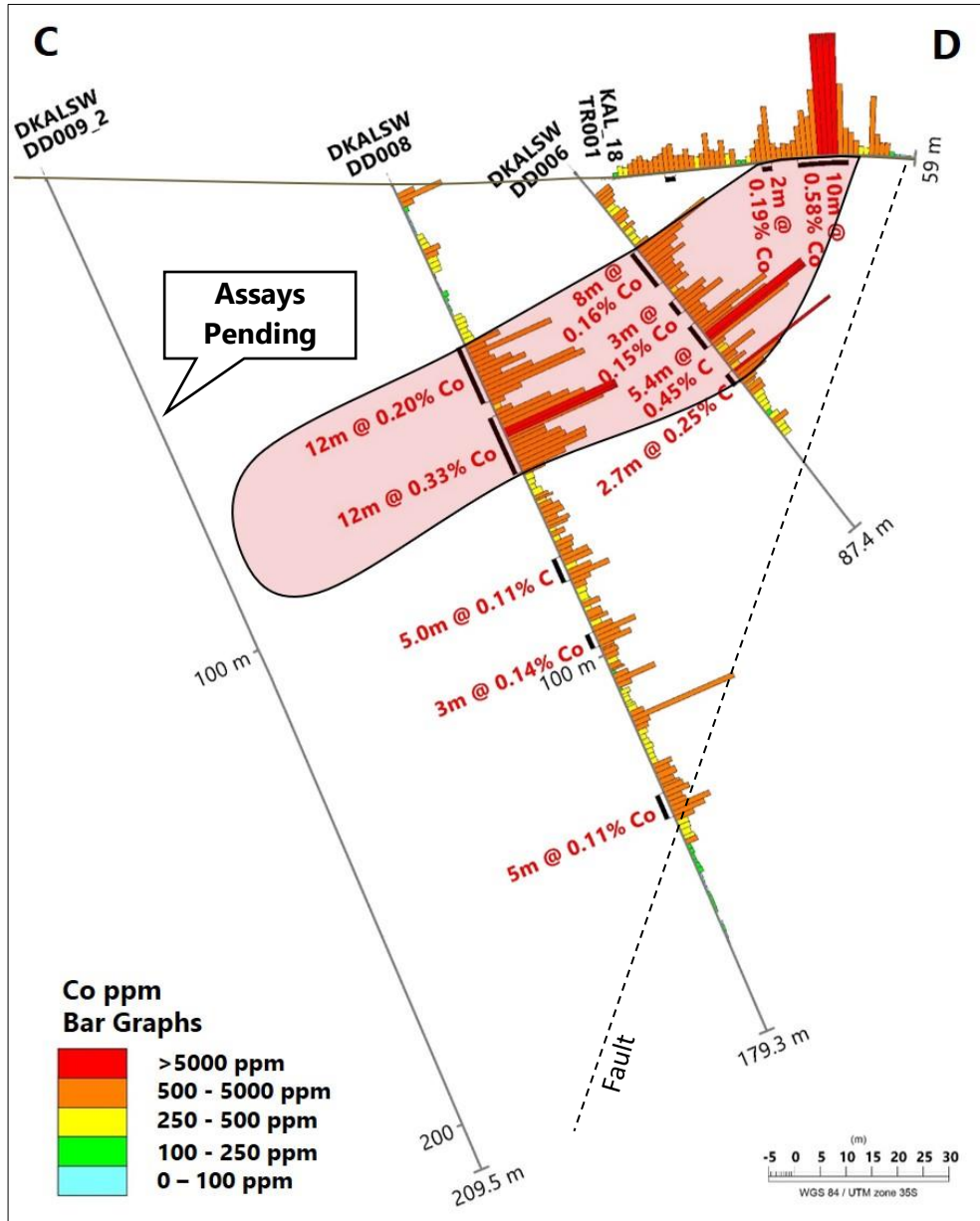


Figure 4. KALSW Section C-D

**Monwezi II – Initial Results**

As previously reported drilling towards the end of 2017 at Monwezi II returned highly encouraging results, outlining a zone of copper enrichment at Monwezi II with open pit mining potential.

This drilling was interpreted to indicate the potential to define additional copper and cobalt resources at Monwezi II with the potential to extend the Kalongwe mine life. The Company has commenced drill testing the south-western continuation of the Monwezi II Mines Series fragment, as well as testing the up-dip, potentially copper-cobalt-enriched zone of the Mines Series rocks. An initial two diamond drill holes, DKAL\_125 and 126, have been completed so far this year for a total of ~400m (Figure 5).

DKAL\_DD125 and DKAL\_DD126 were intended to test strike extensions of the strong intercept reported to the market on the 13/2/18 in DKAL\_DD124 (20.2m @ 1.85% Cu from 47 m including 7.5m @ 2.39% Cu) as part of a systematic work programme designed to expand the known extents of this mineralisation.

Drill-hole DKAL\_125, which was drilled to the south-west of the fragment to define its limits, intersected copper oxide mineralisation between about 95m and 105m down-hole. Analytical results are pending.

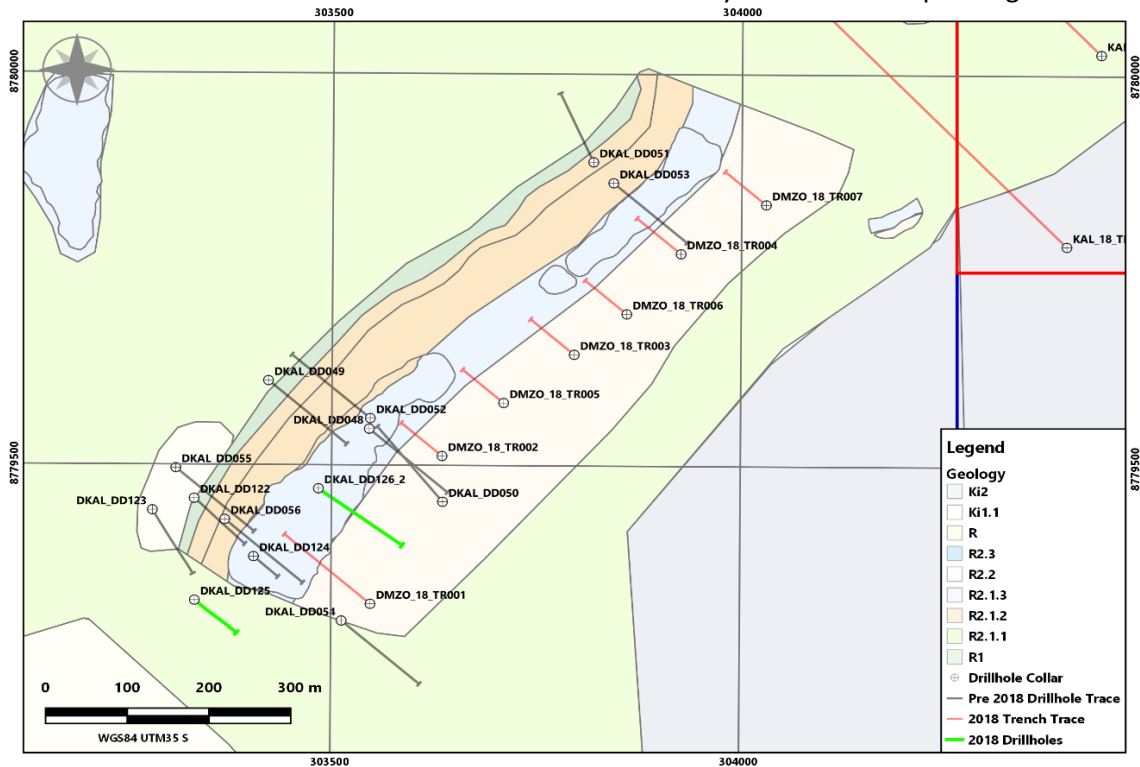


Figure 5. Monwezi II drill-hole collar locations

DKAL\_126 was collared 200m north-east of DKAL\_125 to test near-surface mineralisation. The hole intersected strongly faulted and weathered Mines Series rocks to a depth of about 150m, with indications of structurally controlled mineralisation. Between 192m and 210m down-hole, a 10m wide massive calcite-carrollite ( $\text{CuCo}_2\text{S}_4$ , Figure 6) vein was intersected which is the primary source mineral for cobalt mineralisation. The vein is hosted within a graphitic siltstone with stratiform chalcopyrite mineralisation. The core is currently being prepared for submission to the laboratory.

The calcite-carrollite intercept is *potentially* a significant discovery because it represents the source of oxidised material seen at surface and opens the opportunity for new exploration targeting which could include Cu-Co sulphide targets at depth. Similar features have been observed in core below the main Kalongwe deposit. The Company now plans to define the geometry of the vein while at the same time continuing to test the near-surface copper enrichment at Monwezi II in future drilling.



Figure 6. Photographs of carrollite crystals in a quartz-calcite gangue (note Cu Mineralisation).

**Regional Exploration – FTBJV Update**

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.

Over the coming months, the Company plans to target the following key regional prospects (Figure 7):

- **Mamba** – a large Mine Series Fragment with a regional anticline. The Company intends to test the near-surface location of this fragment based on interpreted geophysical data;
- **Kambundji** – located in a similar geological setting to Mamba and Kalongwe, where high-grade copper mineralisation was intersected in the Mines Subgroup Fragment (best intercept of 18m at 1.84% Cu including 5m @ 3.25% Cu per Nzuri ASX release 7/2/17). This intercept will be followed up as part of the 2018 exploration program; and
- **Mulonda Funda** – is a new target defined from lead-zinc geochemical anomalism with the potential for the discovery of high-grade Kipushi-style base metal mineralisation. It is located near the small but very high grade Kengere zinc-lead deposit, from which historically about 10,000 tonnes of ore at 60% Pb was extracted.

A diamond drill rig is currently at Mamba and has commenced the first drill hole. Additional rigs will also be mobilised to test targets at Kambundji and Kasangasi in line with the Company’s 2018 drill program

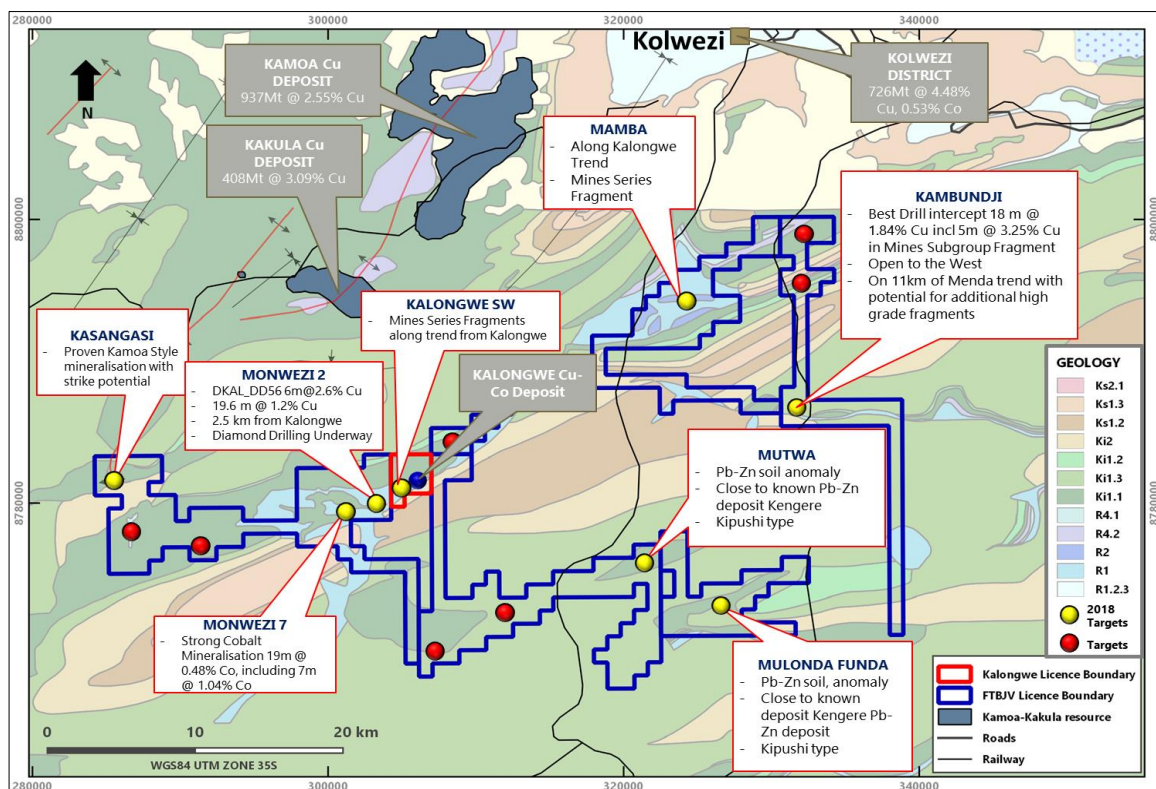


Figure 7. Key targets for the 2018 exploration program

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## Competent Persons Statement

### *Exploration results*

Scientific or technical information in this release that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Dr Peter Ruxton, the Company's Technical Director. Dr Peter Ruxton is a member of the Metals, Minerals and Mining (MIMMM) and a Fellow of the Geological Society of London (FGS) and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Dr Peter Ruxton consents to the inclusion in this report of the information, in the form and context in which it appears.

### *Mineral resources*

Scientific or technical information in this release that relates to the Mineral Resource estimate for the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Upgraded JORC Resource at Kalongwe 302,000t Copper and 42,700t Cobalt' dated 5 February 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### *Ore reserve*

Scientific or technical information in this release relating to the Kalongwe Cu-Co Deposit reserve estimate is extracted from the Company's ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16th 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.

## 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 Kamoakakula type targets hosted on redox boundaries within the Grand Conglomerate Formation, as well as structurally controlled copper deposits hosted within the Kamilongwe thrust akin to Mutanda, Deziwa and the Kansuki deposits which occur 60 km to the North East along the structural trend.

**Appendix 1: Drill-hole intercepts and collar positions for KALSW**

Table 1: Drill hole and trench Intercepts from KALSW

Trench/Hole_ID	Method	Target	DH_From	DH_To	Length	Cu_%	Co_%	Year sampled
DKALSW_DD001	Diamond	KALSW	Pending					2018
DKALSW_DD002	Diamond	KALSW	Pending					2018
DKALSW_DD003	Diamond	KALSW	39	53	14	0.12	0.12	2018
DKALSW_DD004	Diamond	KALSW	Pending					2018
DKALSW_DD005	Diamond	KALSW	13	36	23	0.08	0.21	2018
DKALSW_DD005	Diamond	KALSW	43.8	47	3.2	0.44	0.24	2018
DKALSW_DD006	Diamond	KALSW	19	27	8	0.12	0.16	2018
DKALSW_DD006	Diamond	KALSW	31	34	3	0.19	0.15	2018
DKALSW_DD006	Diamond	KALSW	37	42.4	5.4	0.09	0.45	2018
DKALSW_DD006	Diamond	KALSW	48.75	51.45	2.7	0.27	0.25	2018
DKALSW_DD007	Diamond	KALSW	No mineralised intercepts					2018
DKALSW_DD008	Diamond	KALSW	34	46	12	0.14	0.20	2018
DKALSW_DD008	Diamond	KALSW	49	61	12	0.12	0.33	2018
DKALSW_DD008	Diamond	KALSW	79	84	5	0.25	0.11	2018
DKALSW_DD008	Diamond	KALSW	95	98	3	0.43	0.14	2018
DKALSW_DD008	Diamond	KALSW	104	106	2	0.87	0.12	2018
DKALSW_DD008	Diamond	KALSW	113	115	2	1.52	0.26	2018
DKALSW_DD008	Diamond	KALSW	129	134	5	0.39	0.11	2018
DKALSW_DD009	Diamond	KALSW	Pending					2018
DKALSW_DD009_2	Diamond	KALSW	Pending					2018
KAL_17_TR001	Trenching	KALSW	48	58	10	0.11	1.28	2017
KAL_17_TR001	Trenching	KALSW	61	67	6	0.08	0.72	2017
KAL_18_TR001	Trenching	KALSW	10	12	2	0.04	0.11	2018
KAL_18_TR001	Trenching	KALSW	29	31	2	0.02	0.19	2018
KAL_18_TR001	Trenching	KALSW	36	46	10	0.05	0.58	2018
KAL_18_TR002	Trenching	KALSW	22	28	6	0.07	0.20	2018
KAL_18_TR002	Trenching	KALSW	54	58	4	0.05	0.22	2018
KAL_18_TR003	Trenching	KALSW	9	23	14	0.07	0.36	2018
KAL_18_TR004	Trenching	KALSW	No Mineralised Intercepts					2018
KAL_18_TR005	Trenching	KALSW	No Mineralised Intercepts					2018
KAL_18_TR006	Trenching	KALSW	57	59	2	0.02	0.14	2018
KAL_18_TR007	Trenching	KALSW	No Mineralised Intercepts					2018
KAL_18_TR008	Trenching	KALSW	2	14	12	0.02	0.18	2018
KAL_18_TR009	Trenching	KALSW	58	60	2	0.05	0.15	2018

\*All intercepts over 1000 ppm Co are reported with a cut-off grade of 1000 ppm cobalt, minimum width of 2 m, maximum 2 m internal dilution

Table2: Drill hole and Trench location WGS84 z35s

Name	East	North	RL	EOH	Dip	Azi	Comment
DKALSW_DD001	305159	8781328	1286	152	-60	160	Pending
DKALSW_DD002	304521	8781000	1297	157	-60	150	Pending
DKALSW_DD003	305749	8781075	1317	123	-50	155	Reported here
DKALSW_DD004	305803	8780992	1320	131	-50	330	Pending
DKALSW_DD005	305713	8781045	1321	65	-50	150	Reported here
DKALSW_DD006	305658	8781023	1324	87	-50	150	Reported here
DKALSW_DD007	305732	8781098	1315	183	-65	150	Reported here
DKALSW_DD008	305636	8781051	1322	179	-65	150	Reported here
DKALSW_DD009	305607	8781101	1323	38	-65	150	Failed
DKALSW_DD009_2	305609	8781114	1323	210	-65	150	Pending
KAL_17_TR001	305747	8781086	1316	103	0	147	Trench
KAL_18_TR001	305679	8781029	1323	59	0	155	Trench
KAL_18_TR002	305809	8781095	1317	60	0	155	Trench
KAL_18_TR003	305598	8780976	1329	50	0	155	Trench
KAL_18_TR004	305513	8780936	1331	80	0	155	Trench
KAL_18_TR005	305435	8780898	1334	65	0	155	Trench
KAL_18_TR006	304937	8780508	1333	120	0	127	Trench
KAL_18_TR007	305898	8781112	1314	45	0	147	Trench
KAL_18_TR008	305866	8781098	1315	35	0	193	Trench
KAL_18_TR009	305043	8780675	1346	125	0	133	Trench
KAL_18_TR011	305583	8781003	1332	140	0	330	Trench

## Appendix 2: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond Drill core was sampled at a nominal length of 100 cm where visible mineralisation was noted. Intervals immediately above and below were sampled between 50 cm and 1 m samples ensuring that no lithological boundaries were crossed.</li> <li>Trenches were sampled by chipping out sample material from the floor of the trench representing a complete meter of insitu material. Nominal 1 m samples were collected except when lithological changes were noted, in these cases samples did not cross lithological boundaries.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling mentioned in this release utilised a PQ-HQ core sizes where appropriate to maximise core recovery. Core was not orientated due to bad ground conditions</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drill recovery is &gt; 90% for all holes. Intervals of core loss are excluded from sample length and samples represent 100% core recovery</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drill holes are geologically logged for rock type, alteration and qualitative estimates of mineralisation took place.</li> </ul>



<p><b><i>Sub-sampling techniques and sample preparation</i></b></p>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• PQ diamond drill core is cut into halves and one half quartered along the core axis. The same quarter of the core is sampled to prevent bias.</li> <li>• HQ diamond drill core is split in half along the core axis. The same side of the core is sampled to prevent bias.</li> <li>• 5 % of the samples were prepared as field duplicates and were submitted to monitor between sample variability and laboratory assay precision.</li> <li>• Samples were submitted to the ALS Laboratory preparation facility in Lubumbashi, DRC, where the entire sample is crushed to &lt; 3mm and a 250 g aliquot is obtained using a rotary splitter followed by pulverising to 85% &lt;75µm. Regular sizing checks were undertaken and reported.</li> <li>• Sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>
<p><b><i>Quality of assay data and laboratory tests</i></b></p>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometres, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Handheld XRF analysis is performed using a Thermo Scientific™ Niton™ XL2 instrument. Each sample was analysed for 60 seconds with no factors applied. CRMs are routinely analysed in the sample stream and are assessed to determine the quality of the analyses. Handheld XRF analyses are not reported, only QAQC passed laboratory analyses.</li> <li>• Samples selected for laboratory analysis were submitted for a four acid digest (sulphuric, nitric, perchloric and hydrofluoric) and ICP-AES finish for multi-elements.</li> <li>• Only QAQC passed laboratory analyses are reported.</li> <li>• QA/QC procedures include; a chain of custody protocol, the systematic submittal of 15% QA/QC samples including field duplicates, field blanks and certified reference samples into the flow of samples submitted to the laboratory.</li> </ul>



<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Assay verification is undertaken by submitting field duplicates.</li> <li>• At this stage of the exploration programme independent laboratory repeats are not deemed necessary</li> <li>• Data is recorded onto hardcopy log sheets which are stored onsite. This data is captured electronically and imported into the project database during which verification and validation is undertaken.</li> <li>• No statistical adjustments to data have been applied.</li> </ul>
<p><b>Location of data points</b></p>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Hole collar locations were determined using a Garmin handheld GPS using the average location function. The holes will be surveyed by differential GPS prior to Mineral Resource estimation, should an estimate be undertaken.</li> <li>• Diamond drill holes are surveyed using a reflex multishot survey tool.</li> <li>• The grid system for the project is UTM WGS84, Zone 35 South.</li> <li>• Topographical data is determined through the combination of radar telemetry obtained during a high resolution aeromagnetic survey and average location collected by handheld GPS's.</li> </ul>
<p><b>Data spacing and distribution</b></p>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• No resources are reported in this exploration update, hole spacing is variable depending on the intention of the exploration test being applied.</li> <li>• Resource or ore reserve estimation is not reported here.</li> </ul>
<p><b>Orientation of data in relation to geological structure</b></p>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>• Current understanding of the Kalongwe Southwest fragment is that it is dipping between 36-66° with a strike of 245</li> <li>• Drill hole design has been oriented to drill perpendicular to this (150-155)</li> </ul>

<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>An unbroken sample chain of custody was implemented, as follows:             <ul style="list-style-type: none"> <li>Plastic sample bags sealed and placed inside polyweave bags or boxes which are sealed with cable ties or taped closed</li> </ul> </li> <li>Sample shipments examined on arrival at the laboratory and the sample dispatch form signed and returned with a confirmation of the security seals and the presence of samples comprising each batch.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>ALS's sample preparation laboratory located in Lubumbashi was audited in February and passed all required checks.</li> </ul>

### Appendix 3: Reporting of Exploration Results

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

Criteria	JORC Code Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>All results presented are located entirely within the companies Kalongwe copper-cobalt project (PE12198) in the Central African Copperbelt, Lualaba Province, DRC (see ASX announcement on 22 April 2015 for further details).</li> <li>The mining licence was granted in 2015 for 30 years.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The Kalongwe deposit was discovered in 1902 and various phases of prospecting was done in 1931 to 1956, trenches were excavated, and four drill holes were completed but none of this data is available.</li> <li>African Minerals acquired the land covering the Kalongwe area in 2003 and completed the first systematic drilling programme including systematic geochemical sampling and grid-drilling at 100m by 100m. The African minerals drilling data is available and is utilised when planning exploration activities.</li> </ul>





<p><b>Geology</b></p>	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>• The project area is in the far west of the Outer Lufilian Arc in an arcuate-shaped belt of folds and thrusts that formed after the closure of the Katangan intra-cratonic basin. Three deposit models are being targeted: (i) strataform copper mineralization in Roan Group lithologies and (ii) secondary remobilization of the mineralization along structures. (iii) Zambian type copper mineralization associated with stratigraphically controlled redox boundaries.</li> </ul>
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:             <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>• See relevant appendices. Tables in text of report.</li> </ul>
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg, cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Intercepts are calculated on a length weighted basis. No upper limit has been applied to copper or cobalt grades in these exploration results. For cobalt targets 2 m or greater intercepts are calculated all intercepts above 1000 ppm are reported. A minimum length of 2 m is applied with a maximum 2 m of internal dilution.</li> <li>• All metal grades reported are single element, reported in ppm or percentage units as is indicated.</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg, 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• All intercepts reported here are drilled widths.</li> </ul>

<p><b>Diagrams</b></p>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole plans are provided as well as sections where necessary.</li> </ul>
<p><b>Balanced reporting</b></p>	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>• In this press release drill holes are reported as intercepts, drill holes which did not intersect Cu or Co mineralisation are reported with “no mineralised intercepts”</li> </ul>
<p><b>Other substantive exploration data</b></p>	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>• At this stage assays for all drill holes which have been received have been reported,</li> <li>• A total of 12 trenches have been completed at Kalonqwe SW and Monwezi 2 targets which have not been reported because assays have not yet been received and 4 drillholes have been completed at Kalongwe SW which have not been reported as assays are pending.</li> </ul>
<p><b>Further work</b></p>	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• Target is considered poorly tested and requires drill testing in all directions</li> </ul>