



3rd October 2018

ASX: NZC

FTBJV EXPLORATION UPDATE

NZURI FURTHER STRENGTHENS PIPELINE OF SATELLITE RESOURCE TARGETS WITH LATEST DRILLING AT MONWEZI 2

Copper mineralisation confirmed over +270m strike length – underpinning a maiden Exploration Target

Highlights

- Shallow zone of oxide copper mineralisation confirmed at Monwezi 2, located ~3.6km from Kalongwe
- Mineralisation outlined over a strike length of at least 270m and to a vertical depth of 150m
- Drilling supports the establishment of a maiden Exploration Target for Monwezi 2, this follows the successful delineation of a zone of shallow high-grade cobalt mineralisation at Kalongwe SW, located just 800m from the Kalongwe deposit, earlier this year
- Systematic drilling will be undertaken to establish JORC Resources at both Monwezi 2 and Kalongwe SW, both of which have the potential to extend the mine life at Kalongwe

Commenting on the results, Nzuri CEO Mark Arnesen said: *“Recent drilling has upgraded the potential of Monwezi 2 as an advanced near-mine prospect with the potential to delineate additional resources that are likely to be included in the life-of-mine plan for the Kalongwe Project. Importantly, any potential additional resources would increase the mine life beyond the current 8 years as outlined in our Feasibility Study.*

“Together with Kalongwe SW, we now have two clearly defined targets within a 3.6km radius of our proposed processing facility – both of which have the potential to be rapidly converted into JORC compliant Resources with additional in-fill drilling.

“Planning is well advanced to undertake systematic resource drilling, most likely following the completion of the 2018 exploration field season. Given the proximity of both prospects to the Kalongwe Mining Licence, this is drilling we can readily undertake during the wet season, in parallel with ongoing development work at Kalongwe itself.”

Nzuri Copper Limited

ADDRESS Unit 13, 100 Railway Road, Daglish WA 6008

PHONE +61 (0)8 6424 8100

WEBSITE www.nzuricopper.com.au

For personal use only

Nzuri Copper Limited (**ASX: NZC**) (**Nzuri** or the **Company**) is pleased to advise that near-mine exploration at its Kalongwe Copper-Cobalt Project in the Democratic Republic of Congo (DRC) is continuing to generate encouraging results, with recent drilling upgrading a second satellite target located within economic haulage distance of its proposed processing facility.

Recent drilling results 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 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.

The latest drilling at Monwezi 2 forms part of the ongoing 2018 exploration program within the Fold & Thrust Belt JV ("FTBJV"), located over the western Katangan Copperbelt in the Democratic Republic of Congo (DRC).

It follows 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.

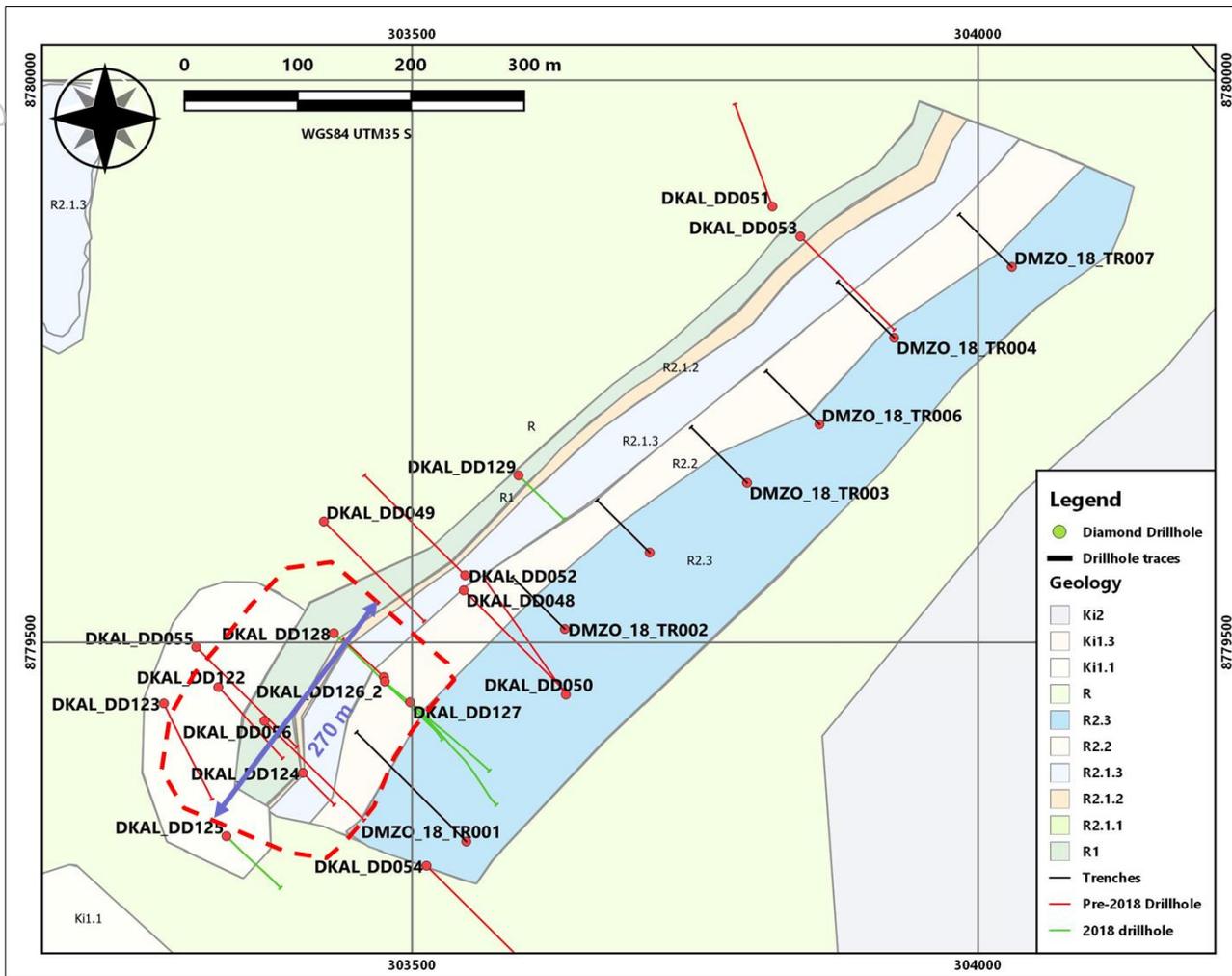


Figure 1: Plan showing recent drilling at Monwezi 2 and the location of the Exploration Target.

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.

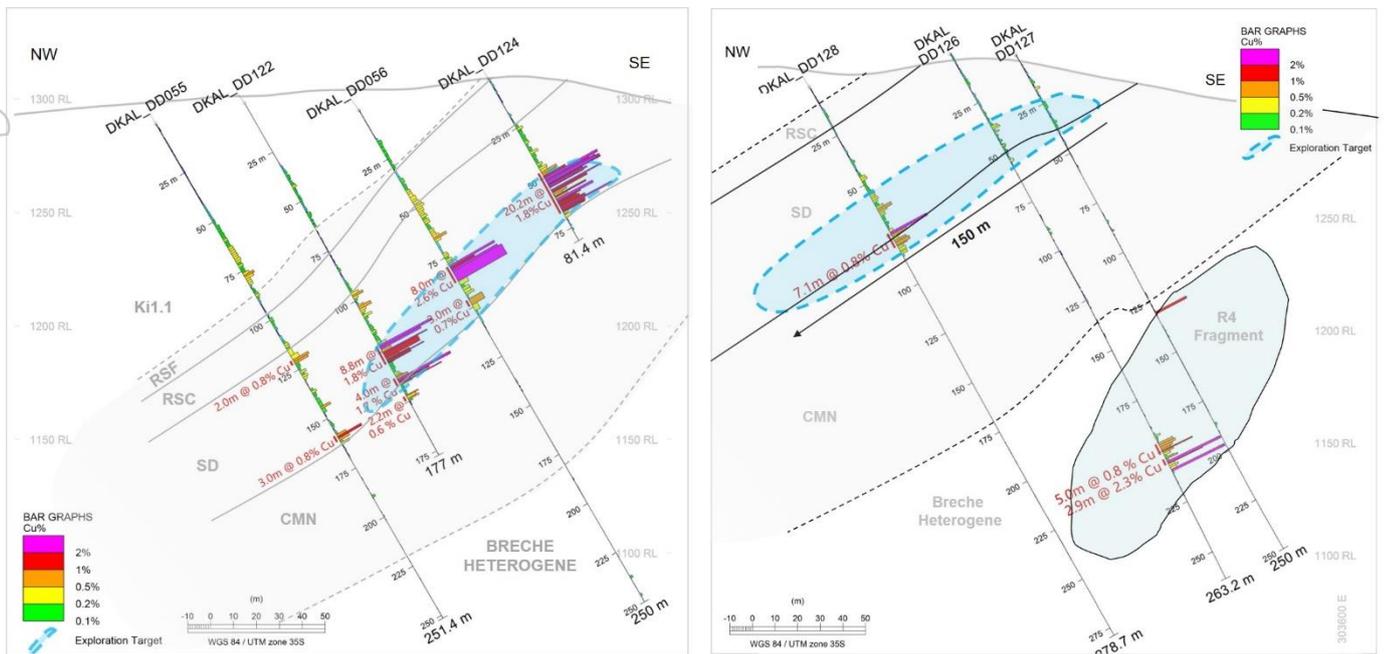


Figure 2: Section 1 (left) and 2 (right) showing the Exploration Target

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.

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, potentially to be undertaken during the upcoming wet season following the completion of the current 2018 exploration Programme within the FTBJV. The additional work at Monwezi 2 is intended to test the Exploration Target.

Regional Update

Mamba Prospect

The Mamba copper prospect consist of several Mines Series fragments located within the core of a diapir structure. Ivanhoe Mines had previously targeted this location with geochemical sampling and diamond drilling which resulted in an intercept of 4m @ 1.80% Cu from 304m.

This interval was hosted within a very broad envelope of over 30m @ >0.50% Cu within Mines Series rocks. Nzuri targeted the sulphide zone within the transition and oxide zone with a view to intersecting a blanket of shallow-depth enriched supergene mineralisation. In preparation for drilling, the Company mapped, trenched and delineated about 1.2km strike length of the Mines Series fragment.

Two drill holes were completed at the Mamba target, which intersected Mines Series rocks but no significant mineralisation. No further drilling is planned at Mamba at this stage.

Kasangasi / Kambundji

Currently drilling at Kasangasi with 7 holes completed and a further hole in progress, sample preparation in progress and assays pending. This drill programme underway is a broadly spaced (500m) series of holes designed to test for possible strike extensions east of the known mineralised zone. A zone 3 km long has been identified for drill testing.

At Kambundji trenching and related ground works are in progress ahead of a RC drilling campaign (subject to results of the field works). The trenching programme is targeting magnetic lows identified by the aeromagnetic survey completed in 2017, these lows are interpreted to be new Mines Series fragments buried under shallow cover along trend from the high-grade mineralised zone at Kambundji East (see Exploration Update – FTBJV Project: 7 February 2017).

For further information, please contact:

Mark Arnesen

CEO/Executive Director

T: +61 (0)8 6424 8100

E: info@nzuricopper.com.au

Hannah Hudson

CFO/Company Secretary

T: +61 (0)8 6424 8100

E: info@nzuricopper.com.au

Nicholas Read

Investor Relations – Read Corporate

T: (+61-8) 9388-1474

E: info@readcorporate.com.au

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.

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.

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 343 km², contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC.

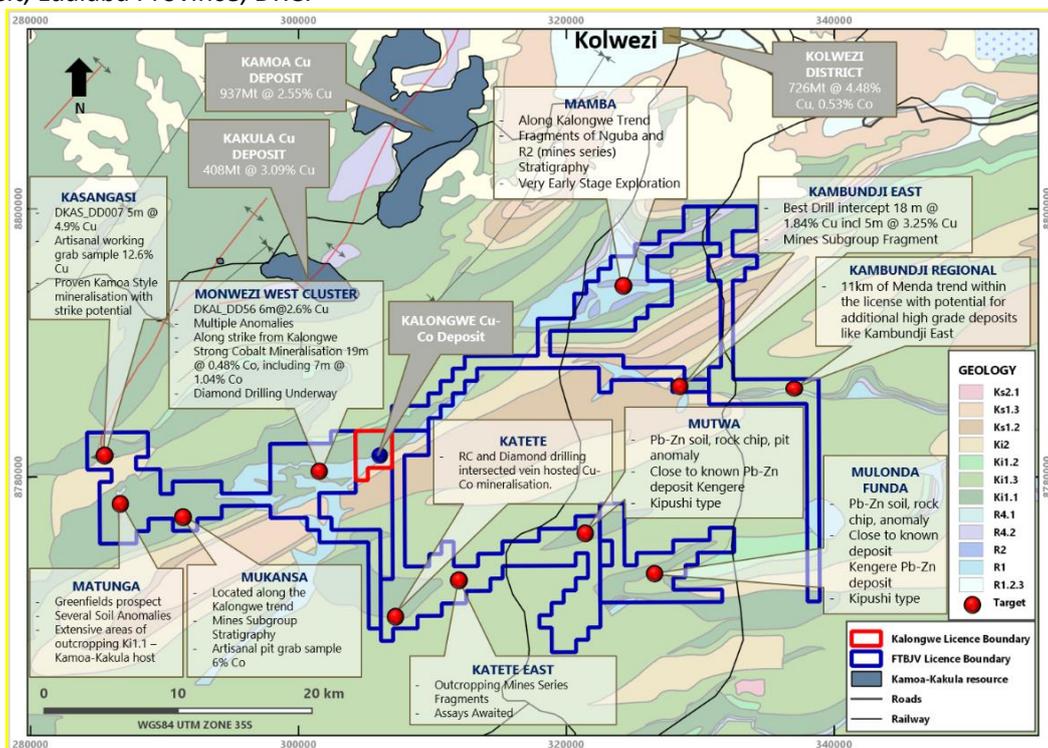


Figure 6: Location of Target Areas on the FTBJV Licence (blue polygons) transposed over the local bedrock geology. Shown also are the locations of known Cu-Co mineralisation in the immediate environs. The Exploitation Permit area for the Kalongwe deposit is shown using a red polygon.

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

The FTBJV project is managed by the Company, covers an area of the western Lufilian Arc, a fold belt that contains the world largest cobalt endowment and some of the richest copper deposits in the world. The project area is considered to offer high-quality exploration targets, for Kamo-a-Kakula type targets hosted on redox boundaries within the Grand Conglomerate Formation, as well as structurally controlled copper deposits hosted within the Kamilongwe thrust akin to Mutanda, Deziwa and the Kansuki deposits which occur 60 km to the North East along the structural trend.

For personal use only

Appendix 1: Complete Drill-hole intercepts and collar positions for Monwezi 2 and Mamba Targets
Appendix Table 1: Drill Hole Intercepts from boreholes at Monwezi 2 Copper Target

Hole ID	Method	Target	From	To	Length (m)	Cu%	Co ppm*	Year Drilled	Comment
DKAL_DD129	DD	Monwezi 2	No Mineralised Intercepts					2018	
DKAL_DD128	DD	Monwezi 2	73.9	81	7.1	0.82	216	2018	
DKAL_DD127	DD	Monwezi 2	No Mineralised Intercepts					2018	
DKAL_DD126	DD	Monwezi 2	196	201	5	0.8	1477	2018	
DKAL_DD126	DD	Monwezi 2	203.45	206.3	2.85	2.32	767	2018	
DKAL_DD125	DD	Monwezi 2	57	60	3	0.57	76	2018	
DKAL_DD124	DD	Monwezi 2	47	67.2	20.2	1.85	229	2017	
DKAL_DD123	DD	Monwezi 2	77	82	5	0.51	160	2017	
DKAL_DD123	DD	Monwezi 2	143	145.1	2.1	2.47	252	2017	
DKAL_DD123	DD	Monwezi 2	160.6	167.7	7.1	0.61	104	2017	
DKAL_DD122	DD	Monwezi 2	122	130.82	8.82	1.77	457	2017	
DKAL_DD122	DD	Monwezi 2	138	142	4	1.74	328	2017	
DKAL_DD122	DD	Monwezi 2	147	149.2	2.2	0.57	132	2017	
DKAL_DD049	DD	Monwezi 2	128	132	4	1.00	261	2007	
DKAL_DD055	DD	Monwezi 2	120	122	2	0.81	731	2007	
DKAL_DD055	DD	Monwezi 2	158	161	3	0.82	471	2007	
DKAL_DD056	DD	Monwezi 2	79	87	8	2.57	155	2007	
DKAL_DD056	DD	Monwezi 2	96	99	3	0.74	62	2007	
DKAL_DD053	DD	Monwezi 2	97	98.4	1.4	0.68	310	2007	Intercept could not be verified
DKAL_DD048	DD	Monwezi 2	No Mineralised Intercepts					2007	
DKAL_DD050	DD	Monwezi 2	No Mineralised Intercepts					2007	
DKAL_DD051	DD	Monwezi 2	No Mineralised Intercepts					2007	
DKAL_DD052	DD	Monwezi 2	No Mineralised Intercepts					2007	
DKAL_DD054	DD	Monwezi 2	No Mineralised Intercepts					2007	

*All intercepts of Cu are reported based on a cut-off grade of 5000 ppm Cu, minimum width of 2 m and maximum 2 m internal dilution

For personal use only

Appendix 1 Table2: Drill Hole Collar information for holes drilled at Monwezi 2 and Mamba Targets

Hole ID	Method	Target	East	North	Azimuth	Inclination	Depth	Date Completed
DKAL_DD129	DD	Monwezi 2	303594.1	8779648.6	135	-60	118.2	2018
DKAL_DD128	DD	Monwezi 2	303431.0	8779508.3	135	-60	278.7	2018
DKAL_DD127	DD	Monwezi 2	303498.4	8779446.9	135	-60	250.0	2018
DKAL_DD126	DD	Monwezi 2	303476.0	8779469.2	135	-60	263.2	2018
DKAL_DD125	DD	Monwezi 2	303336.0	8779327.7	135	-60	144.3	2018
DKAL_DD122	DD	Monwezi 2	303332	8779457	137	-60	177	2017
DKAL_DD123	DD	Monwezi 2	303281	8779442	155	-60	206.1	2017
DKAL_DD124	DD	Monwezi 2	303405	8779383	135	-60	81.4	2017
DKAL_DD048	DD	Monwezi 2	303545	8779546	135	-60	251	2007
DKAL_DD049	DD	Monwezi 2	303422	8779607	135	-60	251	2007
DKAL_DD050	DD	Monwezi 2	303635	8779453	325	-60	250	2007
DKAL_DD051	DD	Monwezi 2	303818	8779887	340	-60	193.7	2007
DKAL_DD052	DD	Monwezi 2	303546	8779559	315	-60	251.4	2007
DKAL_DD053	DD	Monwezi 2	303843	8779861	135	-60	235.2	2007
DKAL_DD054	DD	Monwezi 2	303512	8779301	135	-60	250	2007
DKAL_DD055	DD	Monwezi 2	303309	8779495	135	-60	251.4	2007
DKAL_DD056	DD	Monwezi 2	303369	8779430	315	-60	250	2007
DMBA_DD017	DD	Mamba	323632.2	8792574.3	335.0	-50.0	218.6	2018
DMBA_DD018	DD	Mamba	323820.4	8792652.8	315.0	-50.0	224.2	2018

Appendix 2: Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<ul style="list-style-type: none"> 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. Reverse Circulation drilling was utilised to obtain 1 metre samples according to industry norms.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> Diamond drill recovery is > 80% for all holes. Intervals of core loss are excluded from sample length and samples represent 100% core recovery
Logging	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Diamond drill holes are geologically logged for rock type, alteration and qualitative estimates of mineralisation took place.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> Diamond drill core is split in half along the core axis. The same side of the core is sampled to prevent bias.

For personal use only



For personal use only

	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> 5 % of the samples were prepared as field duplicates and were submitted to monitor between sample variability and laboratory assay precision. Samples were submitted to the ALS Laboratory preparation facility in Lubumbashi, DRC, where the entire sample is crushed to < 3mm and a 250 g aliquot is obtained using a rotary splitter followed by pulverising to 85% <75µm. Regular sizing checks were undertaken and reported. Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. 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. 	<ul style="list-style-type: none"> 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 QA/QC passed laboratory analyses. Samples selected for laboratory analysis were submitted for a four acid digest (sulphuric, nitric, perchloric and hydrofluoric) and ICP-AES finish for multi-elements. Only QA/QC passed laboratory analyses are reported. 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.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Assay verification is undertaken by submitting field duplicates. At this stage of the exploration programme independent laboratory repeats are not deemed necessary 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. No statistical adjustments to data have been applied.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Hole collar locations were determined by a registered surveyor using a differential GPS.

	<ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Diamond drill holes are surveyed using a reflex multishot survey tool. • The grid system for the project is UTM WGS84, Zone 35 South. • Topographical data is determined through the combination of radar telemetry obtained during a high resolution aeromagnetic survey
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • No resources are reported in this exploration update, hole spacing is variable depending on the intention of the exploration test being applied. • Resource or ore reserve estimation is not reported here.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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. 	<ul style="list-style-type: none"> • At Monwezi 2 bedding and mineralisation dip is well understood. Drillholes are drilled perpendicular to the mineralised zone and represent true thickness. Sampling is unbiased.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • An unbroken sample chain of custody was implemented, as follows: <ul style="list-style-type: none"> ○ Plastic sample bags sealed and placed inside polyweave bags or boxes which are sealed with cable ties or taped closed • 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.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • ALS's sample preparation laboratory located in Lubumbashi was audited in February and passed all required checks. • SGS's sample preparation facility in Lubumbashi was audited in December and passed checks.

For personal use only

Appendix 3: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> All results presented are located entirely within the Fold and Thrust Belt JV Project. The Company signed an MOU with Ivanhoe Mines Ltd (TSX:IVN, "Ivanhoe") in April 2015 to acquire up to a 98% interest in a package of five highly prospective tenements (PRs 688, 689, 702 and portions of PRs 690 and 701.), covering an area of approximately 350 km², contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC (see ASX announcement on 22 April 2015 for further details). The exploration licence was renewed for a period of 5 years in January 2015.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Prior to the commencement of the JV project, Ivanhoe completed exploration on the licences. A comprehensive database containing the results of Ivanhoe's exploration undertaken from 2008 to 2013 was received and utilised for targeting. In the 4th quarter of 2016 a verification programme was undertaken which successfully validated the Ivanhoe data.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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. The deposit models are being targeted: (i) strataform copper mineralization in Roan Group lithologies and (ii) secondary remobilization of the mineralization along structures.
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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. 	<ul style="list-style-type: none"> See relevant appendices. Tables in text of report.

For personal use only

<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Intercepts are calculated on a length weighted basis. No upper limit has been applied to copper or cobalt grades in these exploration results. For Copper target intercepts are calculated with a minimum length of 2 m, internal dilution less than 2 m intercepts over 5000 ppm Cu are reported. • All metal grades reported are single element, reported in ppm or percentage units as is indicated.
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • 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'). 	<ul style="list-style-type: none"> • All intercepts reported here are drilled widths, but reflect true mineralisation with holes drilled orthogonal to mineralisation.
<p>Diagrams</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill hole plans are provided as well as sections where necessary.
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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"
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • At this stage all but one hole on the Monwezi 2 prospect have been received and have been reported, • Several holes drilled at the Kasangasi prospect are currently being analysed and have not yet been reported to the market
<p>Further work</p>	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • Further work on the FTBJV project is summarised in the text above.

For personal use only