



NZURI
COPPER LIMITED

An emerging copper and cobalt company

MEDIA ASX RELEASE

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ASX: NZC

NZURI RECEIVES SECOND TRANCHE OF FUNDS FROM A\$10M CORNERSTONE INVESTMENT BY HUAYOU COBALT

Further to its announcement of 14 December 2017 regarding the A\$10 million strategic investment by major cobalt player, Huayou Cobalt, Nzuri Copper Limited (**ASX: NZC**) (**Nzuri** or the **Company**) is pleased to advise that it has now received the second and final tranche of funds (approximately \$3.36 million) from Huayou Cobalt.

The first tranche, comprising the issue of 26,475,716 Tranche 1 shares for approximately \$6.64 million, was completed on 19 December 2017.

The second tranche of funding has been advanced as a convertible loan, on an unsecured and interest-free basis. The Company will seek shareholder approval to issue the shares on conversion of this loan at its upcoming shareholder meeting, to be held at 11.00am WST at 38 Station Street, Subiaco on 25 January 2018 (refer announcement of 20 December 2017).

Nzuri's largest shareholder, Tembo Capital (comprised of Tembo Capital Mining Fund LP and Ndovu Capital VI B.V) has provided Nzuri with a written statement confirming its intention to vote all of the 132,089,113 shares it holds in Nzuri (approximately 51.44%) in favour of the issue of the Tranche 2 shares on conversion of the loan.

Following the receipt of shareholder approval, Huayou Cobalt will be issued a further 13,412,597 shares and, together with its Tranche 1 shares, will have a 14.76% interest in the Company (assuming no other shares are issued).

As previously advised, Nzuri intends to use the proceeds for ongoing development and optimisation studies on its flagship Kalongwe Copper-Cobalt Project in the DRC, to pursue an aggressive ongoing exploration campaign within its Fold & Thrust Belt JV and for general working capital.

Huayou Cobalt will also be entitled to nominate one representative to the Board of Nzuri, subject to all necessary consents and the satisfaction of the Board so long as its holding does not fall below 10% for 90 consecutive days, or a change of control event occurring with respect to Nzuri.

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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

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

About Huayou

Huayou HK is a wholly owned subsidiary of Huayou Cobalt. Huayou Cobalt was listed on the Shanghai Stock Exchange Main Board two years ago, its current market capitalisation is approximately RMB Yen 51.8 billion (USD\$8 billion). Huayou Cobalt’s primary business is focused on the nonferrous smelting of cobalt, nickel and copper. Huayou Cobalt’s main products include cobalt tetroxide, cobalt oxide, cobalt hydroxide, cobalt sulphate etc. with these products being used for Li-ion battery cathode material, high-temperature and cemented carbide, frits and glazes, rubber adhesive and petrochemical catalysts. ***Huayou Cobalt is the largest cobalt chemicals producer in the world, with an annual production of 25,000 tons of these products (approximately 1/4 of total global cobalt production).***

Huayou Cobalt has operated in the DRC for over 10 years and runs several copper/cobalt operations including La Minière de Kasombo (MIKAS), Congo Dongfang International Mining (CDM) plus refining facilities in China. Huayou Cobalt is an independent integrated industrial business incorporating copper/cobalt mining, processing and refining -essential to the downstream production of Li-ion batteries.