



9 April 2018

ASX: NZC

DEVELOPMENT UPDATE

NZURI AWARDS KEY ENGINEERING AND DESIGN CONTRACT FOR KALONGWE COPPER-COBALT DMS PROJECT

Front End Engineering and Design (FEED) work to facilitate a rapid transition to project construction

Key Points:

- Front End Engineering and Design (FEED) contract for the Kalongwe Stage 1 (“K1”) Dense Media Separation (DMS) plant awarded to leading Australian engineering firm Lycopodium Minerals.
- The FEED contract will include detailed project design and equipment package evaluations to the point of placing orders, to facilitate a rapid project build following funding and board approval.
- FEED works will also enable clear scope definition for the appointment of an Engineering-Procurement-Construction (EPC) contractor for the DMS plant.
- Lycopodium is also completing the Stage 2 economic assessment for potential SX-EW processing at Kalongwe, which is expected to be finalised later this month. Outcomes from this study will be incorporated into the FEED program for the initial DMS circuit.

Nzuri Copper Limited (ASX: NZC) (Nzuri or the **Company**) is pleased to advise that it has taken another important step towards development of its flagship 85%-owned Kalongwe Copper-Cobalt Project in the Democratic Republic of Congo (DRC) with the award of a key contract to undertake Front End Engineering and Design (FEED) for the proposed Stage 1 Dense Media Separation (DMS) project.

The contract has been awarded to leading Australian engineering firm Lycopodium Minerals Pty Ltd (“Lycopodium”), which has been closely involved with the Kalongwe Project since early 2017.

Lycopodium completed the Stage 1 DMS Definitive Feasibility Study (DFS) in October 2017 and is currently undertaking the Stage 2 economic assessment for potential leaching/SX-EW (Solvent Extraction – Electro-Winning) processing at Kalongwe, which is well advanced and due for completion in April 2018.

The FEED contract will encompass process engineering, procurement and commercial/legal services for the Kalongwe DMS plant, including:

- Crusher, DMS plant and conveyor design specifications, requests for quotes and tender evaluations;
- Complete camp design;
- Site-wide bulk site earthworks design and specifications; and
- Early works project management and controls.

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Outcomes from the current Stage 2 SX-EW economic evaluation, due for completion this month, will also be incorporated into the FEED program. This will ensure maximum flexibility in the Company's development approach, particularly taking into consideration recent near-mine exploration success and ongoing drilling programs targeting new copper and cobalt discoveries in the Monwezi area.

Concurrently with the FEED work, Nzuri is advancing finance solutions for the project construction and intends to appoint an Engineering-Procurement-Construction (EPC) contractor for the Kalongwe DMS plant following funding and board approval – allowing the project to move forward seamlessly from pre-development into construction.

Nzuri CEO Mark Arnesen said the award of the FEED contract for the Stage 1 DMS plant represented another important step forward for the Kalongwe Project:

“The board’s decision to award the FEED contract reflects our confidence in the Kalongwe Project and our desire to move the project forward as rapidly as possible to take advantage of current historically high cobalt and copper prices. The activities to be undertaken as part of the FEED contract over the next three months will further significantly de-risk the project and put us in a position to move seamlessly to appoint an EPC contractor by the middle of this year.”

“We are pleased to be working once again with Lycopodium on this contract, particularly given their existing detailed knowledge of the project through the completion of the Stage 1 DFS and Stage 2 expansion Scoping Study. This gives them the ability to adopt a holistic view of the project and adopt a focused and efficient approach to its development that will incorporate the outcomes of the soon-to-be-completed Stage 2 expansion study.”

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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 'Kalongwe Stage 1 Feasibility Study Outlines Robust, Low Cost Copper-Cobalt Project with Strong Financial Returns' dated 16th October 2017. 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 km², contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt,

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 Kamoa-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.