



29 April 2019

MARCH 2019 QUARTERLY ACTIVITY REPORT

Highlights

Corporate

- Cash acquisition proposal received from Xuchen International Limited, a subsidiary of Chengtun Mining Group Co. Ltd (collectively 'Chengtun'), to acquire 100% of Nzuri's issued capital at a price of of \$0.37 per Nzuri share via a Scheme of Arrangement.
- The consideration represents an attractive premium, including:
 - a 42% premium to the closing price of Nzuri shares on the ASX on 26 February 2019;
 - a 93% premium to the 30-day VWAP of Nzuri shares on the ASX; and
 - a 64% premium to the 3-month VWAP of Nzuri shares on the ASX.
- Chengtun also agreed to provide Nzuri with interim funding by way of a secured loan, in the amount of up to A\$5M, to support ongoing pre-development activities at the Kalongwe Copper-Cobalt Project.
- Nzuri Directors unanimously recommend that shareholders vote in favour of the Scheme, subject to the Independent Expert determining that the Scheme is in the best interests of shareholders and no superior proposal emerging.
- Scheme meeting proposed to be held in July 2019, with Scheme implementation proposed to occur in July, subject to satisfaction of all conditions.
- Binding agreement entered into with Tembo Capital Mining Fund LP for the provision of a A\$3M loan facility, which has not been drawn on.

Kalongwe Copper-Cobalt Project, DRC

- Leaching & DMS Variability Test Work program completed.
- Design of DMS tailings dam and river diversion channel completed.
- Engineering and Procurement ("EP") fixed-price offer negotiated in line with budget expectations – subsequently placed on hold in light of the Chengtun Scheme of Arrangement.
- Mobilisation of personnel to manage construction of the new site access road commenced late in the March 2019 quarter, with a contractor to be appointed in late April.
- Commencement of 5-yearly updates as required by the DRC mining code of the Project's *Environmental and Social Impact Study (ESIS)* and *Environmental and Social Management Plan (ESMP)*.

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Exploration – Kalongwe and Fold & Thrust Belt JV

- Technical review and prioritisation of targets for the 2019 exploration program substantially completed in March 2019 with full program & details to be released shortly once finalised.
- Pitting currently underway at Kalongwe NE to help inform the design of the 2019 exploration program.
- Budgeting and planning for the 2019 exploration program largely completed during the quarter, with the program scheduled to ideally start in early Q2 2019.
- 259 soil samples collected at Kalongwe NE in Q4 2018 were submitted for assay in February 2019.

Kalongwe Project Development Update

Overview

The Kalongwe Copper-Cobalt Project (“Kalongwe”, the “Project”) is the Company’s flagship asset, a significant high-grade oxide near-surface copper-cobalt resource offering a low-CAPEX pathway to near-term production and cash-flow.

Kalongwe is located in the Lualaba Province of the DRC and is situated towards the western end of the world-class Central African Copperbelt, less than 15km from where Ivanhoe Mines Ltd (TSX: IVN, “Ivanhoe”) has announced a second world-class copper discovery at Kakula.

The Kalongwe Project hosts a near-surface JORC resource of 302,000t of contained copper (2.7% Cu grade) and 42,700t of contained cobalt (0.62% Co grade) as predominantly oxide ore (see ASX announcement of 5 February 2015 for further details).

Fixed Price Engineering and Procurement Contract

During the early part of the quarter, the Company progressed its discussions and negotiations on the construction of the Kalongwe Project and negotiated an engineering and procurement (“EP”) fixed-price offer for all engineering and procurement associated with the Kalongwe Project DMS plant. Final contract discussions have been put on hold following the announcement of the proposed purchase of Nzuri by Chengtun.

Tails Dam & River Diversion Channel Detailed Design

As noted previously, Knight Piesold (KP) were engaged late in Q3 2018 to undertake the detailed design of the Tailings Storage Facility (TSF) and pit river diversion channel associated with the planned Dense Media Separation processing plant. Reporting was updated in the quarter to include remaining geotechnical results not included in the original report issued in mid-January 2019.

Metallurgical Testwork

The Stage 2 SX-EW metallurgical testwork program was completed, with the final report to be issued in late April following a detailed review of leach kinetics. As reported in previous quarters, the aim of the program was to provide variability composites for testing the response to dense media

separation (DMS)/spirals separation and to undertake leaching testwork on a range of possible leach (Solvent Extraction-Electro-winning or SX-EW) plant feeds.

These plant feed types included whole-of-ore (high-grade run-of-mine material); whole-of-ore (low-grade copper/medium grade cobalt material); DMS slimes; and DMS + spiral tails materials.

Testwork undertaken included: Crushing & grinding; Pilot-scale DMS concentrate production; Detailed leach testwork; Milling in raffinate; Bulk leaching; solid/liquids separation; and slurry rheology – all based on the three composites compiled from 700m of dedicated PQ diamond drilling completed into the Kalongwe resource in 2017.

All three variability composites were subject to detailed leaching analysis. The DMS work included both bench-scale heavy liquid and pilot-scale separation. The spirals testing was based on bench and semi-industrial shaking table testing.

In terms of outcomes, the comminution results were in line with previous work with wide variations in crushing work index from very soft to medium-hard. The milling index is medium without any hard or very hard material. Key data for crushing and grinding are provided in Table 1.

Table 1: Crushing & Grinding Outputs

CWi		UCS	
	kWh/t		Mpa
Min	2.0	Min	0.8
Max	9.9	Max	90.9
Av	4.3	Av	20.4
Stdev	2.03	Stdev	23.51
%Stdev	47%	%Stdev	115%
BMWi		Ai	
	kWh/t		Index
Min	9.5	Min	0.0
Max	15.4	Max	0.5
Av	12.8	Av	0.2
Stdev	1.40	Stdev	0.19
%Stdev	11%	%Stdev	92%

The pilot-scale DMS results have reconfirmed both the ability to achieve target products of +15% copper and the overall run-of-mine yield to concentrate. As demonstrated in previous test work, over 60% of the copper can be recovered into saleable concentrates via a DMS/spirals processing route.

A summary of the results of the previous and current programs are provided in Table 2:

Table 2: Comparison of Testwork (15% Cu) – Feasibility Study and Latest DMS Yields

Original 2016/17 DFS testwork	2019 SXEW/ Variability Testwork		
	1	2	3
Composite			
	1	2	3
Cu % ROM	60.4	61.6	56.2
Co % ROM	46.7	53.9	14.1
DMS product % Cu	15	15	15
DMS product % Co	2.1	1	0.3
Spiral Product % Cu	4.3	7.8	4.3
Spiral Product % Co	1.8	0.9	0.6

The product quality and recovery of the DMS and spirals concentrates produced is also very similar to that from previous testwork as shown in Table 3:

Table 3: Pilot-Scale DMS Product Qualities

Sample	Cu	Co	Fe	SiO ₂	Al ₂ O ₃	CaO	MgO	P ₂ O ₅	Mn
Composite 2 (SG 2.70 Underflow)	15.563	0.460	1.847	54.473	6.936	0.067	4.582	0.257	0.057
Composite 3 (SG 2.80 Underflow)	23.288	1.332	3.316	37.192	5.484	1.260	3.646	0.414	0.090

Importantly, the low concentrations of Ca, Mg and Fe (as indicated by past testwork) will result in low acid consumption for future concentrate off-takers. Equally, levels of uranium and thorium are mostly below the detection limit of the analysis and therefore are well within any applicable product specification requirements.

The leach testwork has demonstrated that leach recoveries are very high with generally +98% solubilisation of leachable copper and +80% of the cobalt. Leach solutions produced are clean with uranium and thorium below detection limits. Additionally, no deleterious species are present in the solutions, resulting in the low-to-medium acid consumption measured. Optimum leach conditions are similar for the high and low-grade composites. Refer to Table 4.

Table 4: Detailed Leach Testwork Summary Results

Composite	Sample	Optimum conditions		12h leach % recovery			Nett Acid Consumed
		P80	pH	Cu total	Cu acid sol	Co	kg/t ore
1	Whole ore	150	1.5	89.9	98.3	85.6	19.8
	Whole ore -MIR*	150	1.5	92.6	98.7	95.2	27.7
2	Whole ore	150	1.5	92.9	99.2	94.8	13.6
	Whole ore -MIR	150	1.5	94.7	99.4	96.4	-7.8**
	DMS slimes	106	1.8	93.2	98.3	95.6	30.4
	DMS reject	150	1.5	94.8	98.9	94.5	3.2
	DMS reject -MIR	150	1.5	96.8	99.5	96.9	1.0
	15% DMS Cu Con.	Iso pH	1.8	-	-	-	15.7
3	Whole ore	150	1.5	94.1	98.9	87.4	18.4
	Whole ore -MIR	150	1.5	95.9	99.5	91.3	10.8
	DMS slimes	106	1.8	93.7	98.2	94.3	20.0
	DMS reject	150	1.5	93.6	98.1	85.8	10.8
	DMS reject -MIR	150	1.5	94.7	99.0	89.5	10.9
	15% DMS Cu Con.	Iso pH	1.8	-	-	-	31.5

*MIR-Milling in Raffinate

** Very low acid consuming material with excess acid resulting from SMBS addition

Project Exoneration List

As noted during the December 2018 quarter, formal application was recently made to the DRC Government for substantial duty exoneration of imported items. Approval of this list by the DRC Government is still pending as of the end of March 2019.

Construction of Site Access Road

Mobilisation of personnel to manage the construction of the new site access road began in late March 2019 with a contractor planned to be appointed in late April. The 28km road from the Kamoia site will provide all-weather access to Kalongwe and support the transportation of construction infrastructure and mined product to and from site during development and operations while also facilitating ongoing exploration activities.

The site access road is a critical element in progressing the development of Kalongwe and has been supported by Chengtun through the provision of a \$5 million interim loan facility, which has enabled the road construction to be undertaken during the Scheme process.

Social, Community and Government

During the quarter, the Company undertook the follow activities:

- Commenced the 5-yearly updates, as required by the DRC mining code, of the Project's *Environmental and Social Impact Study (ESIS)* and *Environmental and Social Management Plan (ESMP)*, including the incorporation of the new *Cahier De Charge* included as part of the 2018 Revised Mining code. Site visits and public consultations with all key stakeholders were undertaken with documentation updates and submissions to the Mining Ministry well advanced;
- Reviewed routes around the project perimeter with local chiefs and progressed plans to build a new bridge next quarter to assist with community access;
- Undertook a cholera awareness program in nearby communities and villages. In April 2019, the Company will also be assisting with the Mutshasa Health Zone planned vaccination program in the nearby villages of Dilende, Tshimbuji, Kapenda, Kamala, Kalongo, Mulomba and Binda Binda to vaccinate against Measles and Poliomyelitis for children aged 1-59 months.



Nzuri's Doctor Pierre in action



Doctor Pierre with local village Chief and leaders



Cholera awareness program

Exploration – Fold and Thrust Belt Exploration JV (“FTBJV”)

The Fold and Thrust Belt Joint Venture (“FTBJV”) with Ivanhoe Mines, which is managed by Nzuri covers an area of the western Lufilian Arc, a fold belt that contains the world’s largest cobalt endowment and some of its richest copper deposits. The project includes numerous high-quality exploration targets. and exploration over most of the ground is at a Greenfields stage. Technical review of recent and historical exploration results has been undertaken to inform planning for the 2019 exploration programme.

During the March quarter, active exploration has been limited due to the regional wet season. A detailed desktop target review was substantially completed in March 2019 which will enable several targets to be prioritised. Planning and budgeting for the 2019 exploration programme is almost complete with work scheduled to commence ideally in early Q2 2019.

Small-scale exploration works are currently ongoing at Kalongwe NE to feed into planning for the ensuing 2019 exploration programme.

The Company has also been focused on progressing the transfer of the five exploration permits under the FTBJV from Ivanhoe to its subsidiary, Regal Exploration. The Company has now fulfilled its earn-in obligations under the joint venture agreement with Ivanhoe to acquire a 90% interest in the five permits.

The transfer of the permits to Regal Exploration has been delayed due to a system upgrade of the Cadastre Minier portal creating a backlog in the transfer and registration of Exploration and Mining Licences. The transfer of the permits is a condition precedent to the completion of the Scheme.

Corporate

On 27 February 2019, Nzuri announced it had entered into a Scheme Implementation Deed for the cash acquisition of 100% of the share capital of Nzuri by Xuchen International Limited, a subsidiary of Chengtun Mining Group Co. Ltd (collectively ‘Chengtun’), at a price of \$0.37 per Nzuri share. The acquisition is proposed to be completed by way of a Scheme of Arrangement (the ‘Scheme’).

Chengtun has also agreed to provide the Company with interim funding by way of a secured loan, in the amount of up to A\$5 million, to support ongoing pre-development activities at the Kalongwe Copper-Cobalt Project. As at the date of this announcement, the Company has drawn down \$3.5 million under the loan.

The Directors of the Company have unanimously recommended that shareholders vote in favour of the Scheme, subject to the Independent Expert determining that the Scheme is in the best interests of shareholders and no superior proposal emerging. The Scheme meeting for shareholders is proposed to be held in July 2019, with Scheme implementation proposed to occur in July, subject to the satisfaction of all conditions.

On 26 February 2019, the Company also entered into a binding agreement with Tembo Capital for the provision of a A\$3 million loan facility, which is now unlikely to be drawn given the Chengtun proposal.

In February 2019, the Company attended the 121 Conference in Cape Town, meeting with a number of potential off-take and project financing partners.

Total issued capital at the end of the quarter was 295,905,492 shares. The Company's cash balance at the end of the quarter was \$2,637,539 million.

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Tenement information in accordance with Listing Rule 5.3.3

Location	Tenement	Interest	Project	Held at start of Quarter	Held at end of Quarter
DRC	PE12198	85%	Kalongwe Project	85%	85%
DRC	PR688	80% ¹	FTBJV	80% ¹	80% ¹
DRC	PR689	80% ¹	FTBJV	80% ¹	80% ¹
DRC	PR702	80% ¹	FTBJV	80% ¹	80% ¹
DRC	PR 690 ²	80% ¹	FTBJV	80% ¹	80% ¹
DRC	PR701 ²	80% ¹	FTBJV	90% ¹	90% ¹

¹ As announced on 3 April 2018, Ivanhoe and Nzuri are in the process of completing the transfer of [80%] of the share capital in the FTBJV vehicle to Nzuri. This has now increased to 90%. Until this process is completed, Nzuri will hold an [90%] beneficial interest in the FTBJV.

² The permits PR690 and PR701 are restricted to the geological domain of the Fold and Thrust Belt (see Figure 1 of the announcement of 22 April 2015 for further details).

Competent Persons Statement

Exploration results

Scientific or technical information in this release that relates to Exploration Results was first released by the Company in its ASX announcements entitled 'High-grade cobalt results confirm potential satellite resource immediately along strike from Kalongwe' dated 20 June 2018 and 'Nzuri announces 2018 exploration program as drilling commences at new high-grade cobalt target' dated 3 April 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Mineral resources

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

Ore reserve

Scientific or technical information in this release that relates to the Ore Reserve estimate for the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16 April 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Production targets

In accordance with ASX Listing Rule 5.19, the Company confirms that the production targets and forecast financial information in this release in respect to the Kalongwe Project was first released by the Company in its ASX announcement entitled 'Updated stage 1 feasibility study delivers significantly enhanced financial returns' dated 16 April 2018. The Company confirms that all the material assumptions underpinning the production targets and forecast financial information continue to apply and have not materially changed.

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.

Forward-looking Statements

This release contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements.

Statements in this release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

About Nzuri Copper Limited

Nzuri Copper Limited (ASX: NZC) is an ASX-listed copper-cobalt company focused on the identification, acquisition, development and operation of high-grade copper and cobalt projects in the Katangan Copperbelt of the Democratic Republic of the Congo (DRC). The Company has two key projects in the DRC: the Kalongwe Copper-Cobalt development project and the Fold and Thrust Belt JV exploration project with Ivanhoe.

Kalongwe Copper-Cobalt project

The Kalongwe Copper-Cobalt deposit ("Kalongwe") is the Company's 85%-owned flagship development project. Kalongwe is located in the Lualaba Province of the DRC and is situated towards the western end of the world-class Central African Copperbelt (Figure 1), less than 15km from where Ivanhoe Mines Ltd (TSX: IVN, "Ivanhoe Mines") has announced a second world-class copper discovery at Kakula (see announcement from Ivanhoe Mines Ltd TSX: IVN on 11 August 2016).

Kalongwe hosts a near-surface JORC resource of 302,000t contained copper and 42,700t contained cobalt as predominantly oxide ore (see ASX announcement on 5 February 2015 for further details).

Fold and Thrust Belt JV project

The Fold and Thrust Belt JV ("FTBJV") project consists of five highly prospective tenements, covering an area of approximately 334 km², contiguous to the Kalongwe copper-cobalt deposit in the Central African Copperbelt, Lualaba Province, DRC.

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

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

Kalongwe Mineral Resource

Weathering Profile	Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
Oxide	Cu Only ¹	1.24 Mt @ 3.35% Cu	2.45 Mt @ 2.27% Cu	1.24 Mt @ 1.60% Cu	4.94	2.37	-	117,200	-
	Mixed ³	2.07 Mt @ 3.76% Cu	1.67 Mt @ 2.72% Cu	0.35 Mt @ 1.98% Cu	4.08	3.19	0.66	130,000	26,800
Primary	Cu Only ¹	-	1.20 Mt @ 2.65% Cu	0.41 Mt @ 1.63% Cu	1.61	2.39	-	38,400	-
	Mixed ³	-	0.51 Mt @ 3.06% Cu	0.03 Mt @ 2.22% Cu	0.54	3.02	0.52	16,400	2,800
	Total Cu in Cu Only and Mixed Domains	3.31 Mt @ 3.61 % Cu	5.83 Mt @ 2.55 % Cu	2.03 Mt @ 1.70% Cu	11.17	2.70		302,000	
	Total Co in Mixed Domains ⁴	-	-	-	4.62	-	0.64	-	29,700
Oxide	Co Only ²	0.37 Mt @ 0.66% Co	1.34 Mt @ 0.59% Co	0.38 Mt @ 0.43% Co	2.09	-	0.57	-	11,900
Primary	Co Only ²	-	0.18 Mt @ 0.53% Co	0.02 Mt @ 0.43% Co	0.2	-	0.52	-	1,000
	Total Co Domains	0.37 Mt @ 0.66% Co	1.52 Mt @ 0.58% Co	0.40 Mt @ 0.43% Co	2.29	-	0.57	-	13,000
	Total Co in Mixed and Co-only Domains ⁵				6.91	-	0.62	-	42,700

Notes

1 The Cu only domains were reported by selecting blocks with Cu \geq 0.5%.

2 The Co only domains were reported by selecting blocks with Co \geq 0.2%.

3 The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu \geq 0.5%. The Co grade from these blocks was also reported.

4 The total Co tonnes and grade within the Mixed Domain are reported from blocks where Cu \geq 0.5%, and are not additional to the total Cu Mineral Resources quoted from the Mixed Domain.

5 The total Co tonnes and grade from the Mixed and Co-only Domains are presented as total tonnages only, without reference to JORC classification. The tonnes are not additional to the total Cu Mineral Resources quoted from the Mixed Domain.

Kalongwe Mineral Reserve

Category	Total		
	Mt	Cu %	Co %
Proved	3.58	3.42%	0.43%
Probable	4.41	2.56%	0.27%
Proved and Probable	7.99	2.94%	0.34%
Waste (Mt)	16.645		
Total (Mt)	24.631		

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

NZURI COPPER LIMITED

ABN

23 106 294 106

Quarter ended ("current quarter")

March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,441)	(7,856)
(b) development	-	-
(c) production	-	-
(d) staff costs	(262)	(784)
(e) administration and corporate costs	(121)	(803)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	58
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.9 Net cash from / (used in) operating activities	(1,812)	(9,385)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(89)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(89)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	550
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	2,000	2,000
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,000	2,550
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,452	9,446
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,815)	(9,385)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(89)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,000	2,550
4.5 Effect of movement in exchange rates on cash held	1	116
4.6 Cash and cash equivalents at end of period	2,638	2,638

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	224	89
5.2 Call deposits	2,414	2,363
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,638	2,452

6. Payments to directors of the entity and their associates

Current quarter \$A'000
162
-

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

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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

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

Current quarter \$A'000
-
-

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

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	8,000	2,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Chengtun has provided the Company with interim funding by way of a secured loan, in the amount of up to A\$5 million, to support ongoing pre-development activities at the Kalongwe Copper-Cobalt Project. Subsequent to 31 March 2019, an additional \$1.5 million has been drawn down under the loan.

On 26 February 2019, the Company also entered into a binding agreement with Tembo Capital for the provision of a A\$3 million loan facility.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,405
9.2 Development	1,092
9.3 Production	-
9.4 Staff costs	278
9.5 Administration and corporate costs	964
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	3,739

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 29/4/2019

Print name: Hannah Hudson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared

in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.