



30 May 2018

ASX: NZC

CORPORATE UPDATE

NZURI RAISES \$6M TO ADVANCE KALONGWE COPPER-COBALT PROJECT, EXPANSION STUDIES AND ONGOING EXPLORATION

Major shareholders Tembo Capital and Huayou Cobalt continue their strong support of Nzuri as cornerstone investors in the raising – with all shareholders also able to participate via an SPP

Highlights

- **\$6.0M raised in placement and convertible loan**
- **\$3.1M to be raised via institutional share placement at \$0.255 per share.**
- **Support received from major shareholder Tembo Capital through an interest-free, unsecured loan of \$2.9M, convertible at the same issue price as the placement.**
- **The convertible loan, which is subject to shareholder approval, will allow Tembo to maintain its 48.89% interest in the Company.**
- **Major shareholder Huayou Cobalt has continued its support by participating in the share placement to maintain its interest at 14.76%.**
- **In addition, eligible shareholders are invited to participate in the raising via a Share Purchase Plan (SPP).**
- **All proceeds will further strengthen Nzuri's balance sheet and working capital position, ensuring it is in a strong position to progress:**
 - *Ongoing optimisation and early-stage development work including Front-End Engineering and Design (FEED) for the Stage 1 Kalongwe Project;*
 - *SX-EW testwork program and studies to support the future Stage 2 expansion;*
 - *The Company's ongoing multi-pronged exploration campaign.*

Nzuri Copper Limited (**Nzuri** or the **Company**; ASX: **NZC**) is pleased to announce that it has successfully raised a total of \$6 million through a strongly supported capital raising underpinned by its major shareholders and other institutional investors.

The proceeds will be used to progress ongoing early-stage development work and engineering for the Company's flagship 85%-owned Kalongwe Copper-Cobalt Project in the DRC, fund the SX-EW testwork program for the planned Stage 2 expansion and continue its multi-pronged copper-cobalt exploration program.

Placement and Convertible Loan

Nzuri has received binding commitments to raise approximately \$3.07 million through a share placement comprising approximately 12 million shares at an issue price of \$0.255 per share (**Placement**).

It is intended that the shares to be issued pursuant to the Placement will be issued on or about 4 June 2018, pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

In conjunction with the Placement, the Company's largest shareholder, Tembo Capital (comprised of Tembo Capital Mining Fund LP and Ndovu Capital VI B.V), has agreed to advance the Company a loan of approximately \$2.93 million, on an interest-free and unsecured basis (**Converting Loan**).

The Converting Loan will automatically convert to approximately 11.5 million shares at the same issue price as the Placement, subject to the receipt of shareholder approval. If not approved, the Converting Loan will become immediately repayable. The Company intends to hold a general meeting in early July to approve this conversion. Conversion of the Converting Loan will maintain Tembo Capital's existing interest in the Company's shares of 48.89%.

The Company's major shareholder, Huayou International Mining (Hong Kong) Limited (**Huayou HK**) has continued its support for the Company by subscribing for \$885,791 worth of shares in the Placement, to maintain its current interest of 14.76% (on a post-Placement and Converting Loan basis).

The following shareholders have each separately provided Nzuri with a written statement confirming their respective intentions to vote the shares held or controlled by them in favour of the issue of shares to Tembo Capital on conversion of the Converting Loan:

- Huayou HK (with a shareholding of 39,888,313 Shares, comprising 14.76% of the Company's share capital as at the date of this announcement);
- Adam Smits (with a shareholding of 54,000 Shares, comprising 0.02% of the Company's share capital as at the date of this announcement);
- Mark Arnesen (with a shareholding of 5,330,984 Shares, comprising 1.97% of the Company's share capital as at the date of this announcement);
- Bankes Holdings (with a shareholding of 2,000,000 Shares, comprising 0.74% of the Company's share capital as at the date of this announcement); and
- Hossein Sabet (with a shareholding of 4,200,000 Shares, comprising 1.55% of the Company's share capital as at the date of this announcement).

Each of the above parties have consented to the disclosure of their voting intention in this announcement.

Nzuri Copper Limited

ADDRESS Unit 13, 100 Railway Road, Daglish WA 6008

PHONE +61 (0)8 6424 8100

WEBSITE www.nzuricopper.com.au

Canaccord Genuity acted as the Lead Manager to the Placement.

Share Purchase Plan (SPP) to eligible shareholders

In addition to the placement and convertible loan the Company will also be offering eligible shareholders the opportunity to purchase Nzuri shares at the same price as the Placement (\$0.255 per share), which was based on a 15% discount to the Volume Weighted Average Price (VWAP) of its shares as traded on the Australian Securities Exchange over the 5 days prior to the announcement of the SPP.

Existing eligible shareholders of Nzuri will have the opportunity to subscribe to a maximum of \$15,000 of new shares and a minimum of \$1,500 of new shares, via the SPP.

Full details of the SPP and the timetable will be set out in the SPP offer document which will be despatched to eligible shareholders on or around 6 June 2018.

The indicative timetable for the SPP is below. The Company may vary the dates and times of the Offer by lodging a revised notice with ASX.

DATE	DETAILS
29 May 2018	Record Date 5.00pm (WST) The date on which the Company determines shareholders eligible to participate in the SPP.
30 May 2018	SPP announced to the ASX
5 June 2018	SPP Opening Date
22 June 2018	SPP Closing Date Applications and payments must be received by 5.00pm (WST).
29 June 2018	Issue Date The date the new shares are issued.
2 July 2018	Dispatch Date The date on which holding statements are sent to shareholders who subscribed for new shares under the SPP.
2 July 2018	Share Trading Date The date on which it is expected that the new shares will commence trading on the ASX.

Use of Funds and Management Comment

The funds raised through the Placement, Converting Loan and SPP will be applied towards

- Ongoing optimisation and early-stage development work including Front-End Engineering and Design (FEED) for the Stage 1 Kalongwe Project;
- The recently commenced SX-EW testwork program and studies to support the future Kalongwe Stage 2 expansion;
- The Company's ongoing multi-pronged exploration campaign within its 80%-owned Fold & Thrust Belt Joint Venture with Ivanhoe Mines; and
- Working capital.

Nzuri's Executive Director and CEO, Mark Arnesen, said: *"I would like to take this opportunity to acknowledge the continued support of our major shareholders, Tembo Capital and Huayou Cobalt, as part of this important capital raising. We are also pleased to welcome a number of significant new institutional investors to the share register for the first time, and to give our broader retail shareholder base the opportunity to participate via an SPP."*

"The proceeds will further strengthen the Company's balance sheet, ensuring that we are in a strong position to progress all key work-streams currently underway – including early-stage development activities for the Kalongwe Stage 1 DMS Project, Stage 2 expansion studies and, of course, our ongoing aggressive exploration push targeting both near-mine opportunities and the broader potential of the FTBJV."

For further information, please contact:

Mark Arnesen

CEO/Executive Director

T: +61 (0)8 6424 8100

E: info@nzuricopper.com.au

Anthony Begovich

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

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.

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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 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.