

Ivanhoe neighbour Nzuri goes hunting for a copper-cobalt monster of its own

Plus, Nusantara Resources comes to market seeking up to \$20m to get its 1.74moz Awak Mas gold deposit moving towards production and Spitfire set for first assays

30th June 2017

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The Democratic Republic of the Congo (DRC) is not everyone's cup of tea. But it is the place to be if big and high-grade copper and cobalt tickles your fancy.

In recent times it has been the ever-tinny Robert Friedland who has highlighted the DRC's premier address for copper, with his Ivanhoe Mines making the Kamao–Kakula copper discovery in a previously unknown extension of the Central African copper belt.

The indicated resource at Kamao-Kakula currently stands at about one billion tonnes of 3.02% copper, plus another inferred resource of 191 million tonnes of 2.37% copper.

It is spectacular stuff. Still, operating in the DRC comes with particular challenges when it comes to ensuring mining operations are run with the same sort of sustainability, transparency and ethics that are demanded elsewhere in the world.

It is possible to do all that in the DRC. Ivan Glasenberg's Glencore is there under the full scrutiny of the myriad non-government organisations that have a focus on the DRC, as in the Chinese-owned but Australian managed MMG.

The increased transparency and best practices that the likes of Friedland, Glencore and MMG have brought to the DRC is welcome stuff.

It also means that junior Australian companies with a DRC flavour and operating with the same best practice philosophy that Friedland, Glencore, MMG and others have brought to the DRC, no longer have to spend half their time dealing with sovereign and social risk questions from investors.

There is now an acceptance that with the right intent, it is possible to operate ethically in the DRC, a country that just happens to be a first-class address for high grade copper and 60 per cent of the world supply of the boom-time battery metal, cobalt.

It is against that background that ASX-listed and DRC-focussed Nzuri Copper (NZC) has popped onto the radar. It last traded at 16.5c for a market cap of \$38m, which is arguably on the light side of things because it is both a near-term copper/cobalt producer and an explorer in the same neck of the woods as Ivanhoe's Kamao–Kakula monster.

The development opportunity is the near-surface Kalongwe copper/cobalt deposit (302,000 tonnes of copper and 42,000 tonnes of cobalt), now the subject of a feasibility study which will probably be released in August.

Previous scoping work pointed to a simple and low-cost development of the mainly oxide resource capable of annual production-in-concentrates of 20,000 tonnes of copper and 2,000 tonnes of high value cobalt for at least five years.

The August release is expected to confirm economically robust costs of production from the initial modular heavy media separation (HMS) processing route. That alone should prompt a re-rating of the stock.

The scale of the stock upgrade will be interesting because of the bad taste left by ASX-listed junior Tiger Resources (TGS) with its Kipoi project in the DRC. But Tiger's woes started when it moved from its initial HMS operation to a heavily debt-funded SX-EW operation without appropriate rigour.

Nzuri does not intend making the same mistakes. And besides, the company is as much an exploration story as it is a development story. Kalongwe sits less than 15km from Ivanhoe's Kakula deposit (itself rated at 116m tonnes at a spectacular 6.09% copper in the indicated category).

Under an exploration joint venture signed with Ivanhoe back in 2015, Nzuri is earning an interest in 334sqkm of prospective ground put together by Ivanhoe, with a busy 2017 drilling program on that ground and other tenements now underway.

All up Nzuri is to test five targets in 2017 across multiple prospect areas. Results from drilling the Katete prospect will be worth watching, as will results from the drilling to come at the Kasangasi prospect, 17km south of Ivanhoe's new discovery, Kakula West.

Nzuri is funded for what could be a game-changing exploration effort with cash at the end of March of \$9m. Cheering Nzuri on is London's private equity advisor with a focus on junior and mid-tier miners in developing countries, Tembo Capital. It's got close to 60% of Nzuri

<http://www.resourcesrisingstars.com.au/news-article/ivanhoe-neighbour-nzuri-goes-hunting-copper-cobalt-monster-its-own>