

## RC Drilling intersects further mineralisation at Cheowa Copper-Gold Project

- RC Drilling returns excellent results from the CC2 prospect at Cheowa Copper-Gold project, including 11m at 3.18% copper and 0.25 g/t gold, 8m at 2.12% copper and 2.15g/t gold, 9m at 1.57% copper and 0.24 g/t gold, 8m at 1.56% copper and 0.46g/t gold, 4m at 1.57% copper and 0.31g/t gold, and 4m at 1.53% copper and 0.54g/t gold.
- Mineralised strike at CC2 prospect extended to 1,200 metres.
- Four drilling rigs operational at Cheowa.
- Pre-feasibility work underway.
- Diamond Drilling successfully targeting VTEM conductors and surface geochemical anomalies east of CC2 at Cheowa, with assay results expected from August onwards.

Zambezi Resources Limited ("Zambezi" or "the Company") (AIM: ZRL, ASX: ZRL) today announces the first drilling results for the 2007 field season from its priority **Cheowa Copper-Gold Project** in southern Zambia.

Infill Reverse Circulation ("RC") drilling at the CC2 prospect has returned excellent results including **11m at 3.18% copper and 0.25 g/t gold, 8m at 2.12% copper and 2.15g/t gold, 9m at 1.57% copper and 0.24 g/t gold, 8m at 1.56% copper and 0.46g/t gold, 4m at 1.57% copper and 0.31g/t gold, and 4m at 1.53% copper and 0.54g/t gold (see Table 1, Figure 1).**

At the CC2 prospect - where an initial Inferred Mineral Resource estimate prepared in accordance with the 2004 JORC Code of 1.7 million tonnes at 1.5% copper and 0.5g/t gold was reported earlier this year – a total of 49 RC holes for 7,200 metres and 6 diamond holes for 1,050 metres have been completed so far this field season. The drilling is designed to infill and extend the area incorporated in the resource estimate.

The targeting of 3D modelled VTEM conductors at CC2 has been successful to date, with mineralisation so far defined to depths of 200m over a strike length of 1,200 metres. This mineralisation remains open at depth and along strike. This is a 70% increase in strike length as the JORC resource had previously been delineated over 700m. Results have been received to date for the first 12 RC holes only, with further results expected in late August. Further step-out holes are now being drilled beyond the modelled CC2 VTEM conductors.



ARBN 124 462 826

**Bermuda:**

Canon's Court  
22 Victoria Street  
Hamilton HM12

**Australia:**

17 Ord Street  
West Perth  
PO Box 1796 WA 6872  
Tel: (+61-8) 9216 9000  
Fax: (+61-8) 9216 9090

**Zambia:**

Mwembeshi Resources Limited  
Plot 5777N  
Great East Road  
Kalundu  
Lusaka  
Tel: (+26) (021) 1291 645  
Fax: (+26) (021) 1292 411

**Stock Exchange Listings:**

ASX: ZRL  
AIM: ZRL

**Issued Capital:**

187,985,279 ordinary shares  
8,420,000 options

**Directors:**

Non-Executive Chairman:  
Brian Rear  
Managing Director:  
Julian Ford  
Exploration Director:  
Geoff Johnson  
Non-Executive Director:  
Jeremy Wrathall

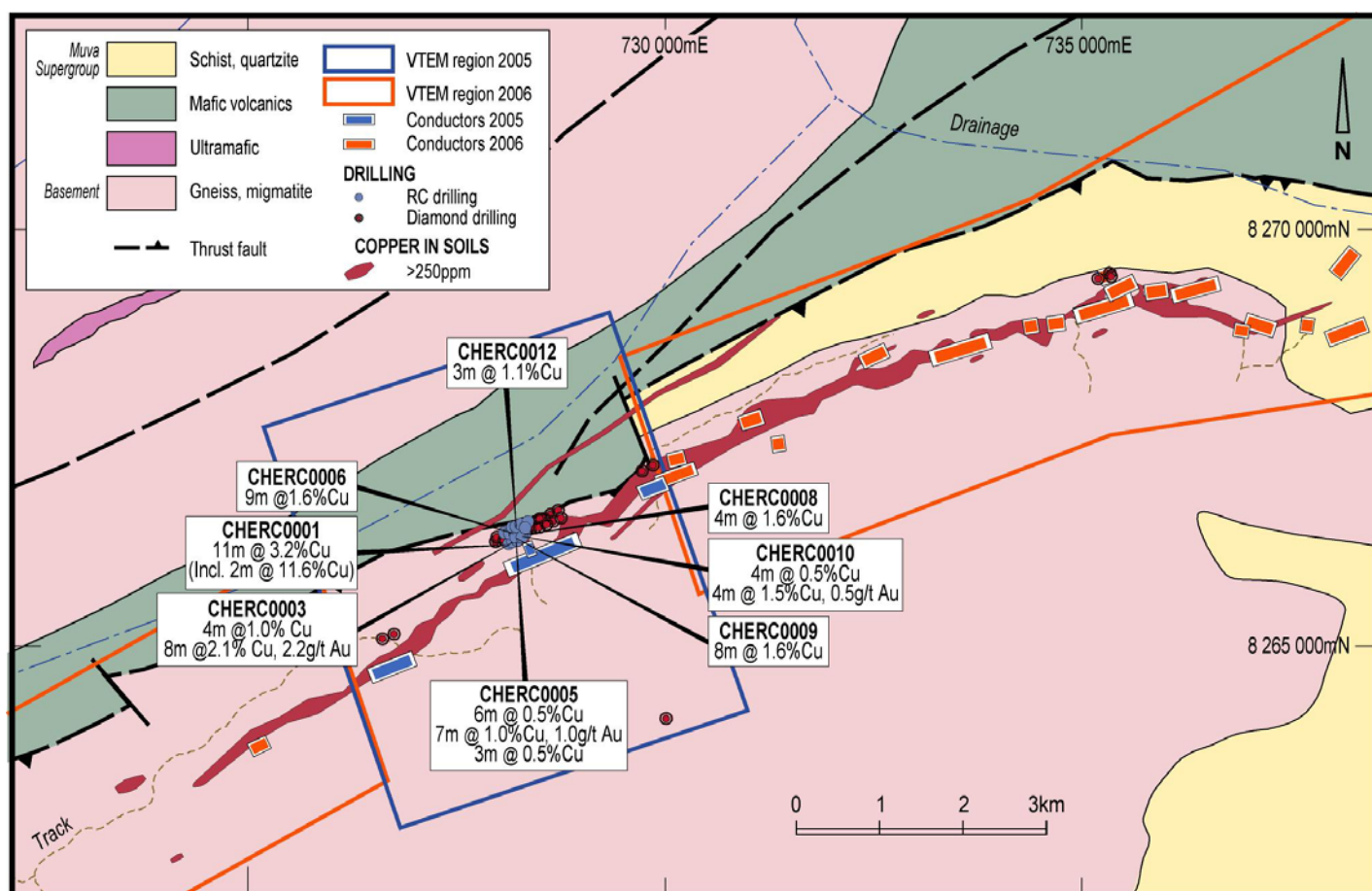
Chief Financial Officer:  
Lloyd Flint

Scout diamond drilling is also being conducted at the CC12, CC13, CC15, CC17, CC18, CC19, CC20 and CC21 prospects, which occur approximately 7.5 kilometres along strike to the east of CC2. To date, 16 diamond holes have been completed. The holes are designed to test both copper anomalism in surface trenches and soils, and the modelled positions of the VTEM conductors. Both pyrrhotite-dominant and chalcopyrite-dominant mineralised intervals have been observed in the scout drillholes to date, and assay results from the drilling are expected from late August onwards.

After some initial delays delivering and commissioning the four new drilling rigs working at Cheowa, drilling production this field season is ramping up to requirements and the 2007 production targets are expected to be met by year end.

The Company has all four planned drill rigs operating and has commenced pre-feasibility work which includes an environmental base line study. In addition, consultants for the mine planning, geotechnical and plant design components of the project have been appointed. The pre-feasibility study remains on track for completion in May 2008.

At the Cheowa Project, Glencore International AG ("Glencore") is earning an initial 51% interest by spending US\$10 million, with Zambezi managing the project.



**Figure 1: Cheowa Project RC Drill Results, VTEM Survey Outlines and Conductor Locations**

Table 1: Cheowa Project, CC2 Prospect RC Drill Hole Assay Results

| Drillhole        | Coordinates<br>N E |        | Dip | Azi | Total<br>Depth<br>(m) | From<br>(m) | To<br>(m) | Interval<br>Width<br>(m) | Cu<br>%     | Au<br>g/t   |
|------------------|--------------------|--------|-----|-----|-----------------------|-------------|-----------|--------------------------|-------------|-------------|
| <b>CHERC0001</b> | 8266191            | 728150 | -60 | 160 | 90                    | 40          | 51        | <b>11</b>                | <b>3.18</b> | <b>0.25</b> |
| <b>CHERC0002</b> | 8266325            | 728080 | -60 | 160 | 212                   | 155         | 156       | 1                        | 0.42        | 0.08        |
|                  |                    |        |     |     |                       | 159         | 160       | 1                        | 0.42        | 0.07        |
|                  |                    |        |     |     |                       | 165         | 166       | 1                        | 0.35        | 0.07        |
| <b>CHERC0003</b> | 8266217            | 728192 | -60 | 160 | 87                    | 5           | 6         | 1                        | 0.38        | 0.08        |
|                  |                    |        |     |     |                       | 32          | 36        | <b>4</b>                 | <b>1.00</b> | <b>0.02</b> |
|                  |                    |        |     |     |                       | 38          | 46        | <b>8</b>                 | <b>2.12</b> | <b>2.15</b> |
| <b>CHERC0004</b> | 8266318            | 728154 | -60 | 160 | 219                   | 157         | 159       | 2                        | 0.63        | 0.16        |
| <b>CHERC0005</b> | 8266233            | 728250 | -60 | 160 | 81                    | 7           | 8         | 1                        | 0.35        | 0.02        |
|                  |                    |        |     |     |                       | 10          | 16        | 6                        | 0.54        | 0.06        |
|                  |                    |        |     |     |                       | 21          | 28        | <b>7</b>                 | <b>0.95</b> | <b>0.96</b> |
| <b>CHERC0006</b> | 8266316            | 728220 | -60 | 160 | 140                   | 95          | 98        | 3                        | 0.52        | 0.11        |
|                  |                    |        |     |     |                       | 101         | 110       | <b>9</b>                 | <b>1.57</b> | <b>0.24</b> |
| <b>CHERC0007</b> | 8266345            | 728225 | -60 | 160 | 160                   | 114         | 117       | 3                        | 0.46        | 0.13        |
|                  |                    |        |     |     |                       | 123         | 126       | 3                        | 0.25        | 0.03        |
|                  |                    |        |     |     |                       | 129         | 130       | 1                        | 0.58        | 0.03        |
| <b>CHERC0008</b> | 8266305            | 728339 | -60 | 160 | 80                    | 25          | 26        | 1                        | 0.47        | 0.05        |
|                  |                    |        |     |     |                       | 34          | 35        | 1                        | 0.36        | <0.01       |
|                  |                    |        |     |     |                       | 38          | 40        | <b>2</b>                 | <b>0.43</b> | <b>0.01</b> |
|                  |                    |        |     |     |                       | 43          | 47        | <b>4</b>                 | <b>1.57</b> | <b>0.31</b> |
| <b>CHERC0009</b> | 8266273            | 728228 | -60 | 160 | 64                    | 37          | 45        | <b>8</b>                 | <b>1.56</b> | <b>0.46</b> |
| <b>CHERC0010</b> | 8266270            | 728304 | -60 | 160 | 172                   | 115         | 116       | 1                        | 0.46        | 0.09        |
|                  |                    |        |     |     |                       | 119         | 123       | 4                        | 0.54        | 0.12        |
|                  |                    |        |     |     |                       | 130         | 134       | <b>4</b>                 | <b>1.53</b> | <b>0.54</b> |
| <b>CHERC0011</b> | 8266387            | 728188 | -50 | 160 | 200                   | 163         | 164       | 1                        | 1.24        | 0.26        |
|                  |                    |        |     |     |                       | 168         | 170       | 2                        | 0.48        | 0.09        |
| <b>CHERC0012</b> | 8266398            | 728231 | -70 | 160 | 219                   | 153         | 156       | <b>3</b>                 | <b>1.08</b> | <b>0.24</b> |

Coordinate system Arc50 UTM Zone 35S . Mineralised intervals calculated on basis of lower cutoff of 0.3% Cu, minimum mineralised interval of 1m, maximum internal waste of 1m. Mineralisation dipping to north at 50-55 degrees. Mineralised widths reported on downhole basis, true width approximately downhole width x 0.9 .

**For more information contact:**

Julian Ford, Managing Director  
Zambezi Resources (Australia)  
+61 (08) 9216 9000  
+61 (0) 418 949 580

Jeremy Wrathall, Non-Executive Director  
Zambezi Resources (London)  
Mob: +44 7712 776 100

Fiona Owen  
Grant Thornton Corporate Finance  
+44 20 7383 5100

Jane Stacey / Ed Portman  
Conduit PR  
+44 20 7429 6666 / +44 7922 923306

Nicholas Read / Kate Bell  
Read Corporate  
+61 (08) 9388 1474  
+61 (0) 419 929 046

*The information in this release that relates to Exploration Results is based on information compiled by Exploration Director Geoffrey Johnson BSc (Hons), PhD, Grad Dip Env Sc. Dr Johnson is a full-time employee of Zambezi Resources, and a Fellow of the Australian Institute of Geoscientists. Dr Johnson is a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*