ASX Announcement

22 January 2008

Kangaluwi Copper Project – First Drill Results from 2007 Drill Program

- **RC Drilling confirms broad mineralisation up to 21 metres width with grades up to 2% copper**

- **Deeper diamond drilling to a depth of 150 metres returns excellent visual indications of broad mineralised intervals. Results are pending for all diamond drilling.**

- **Mineralised strike at Kangaluwi extended to 3kms based on visual indications in RC and Diamond drilling.**

- **Mineralisation remains open along strike and at depth.**

Zambezi Resources Limited ("Zambezi" or "the Company") (AIM: ZRL, ASX: ZRL) today announces encouraging progress on its **Kangaluwi Copper Project** in southern Zambia. Reverse Circulation ("RC") drilling at Kangaluwi has returned excellent results including **7m at 2.14% copper from 59m, 7m at 1.45% copper from 143m, 15m at 0.96% copper from 88m, 21m at 0.96% copper from 9m, 13m at 0.92% copper from 118m, 15m at 0.86% copper from 39m, and 11m at 0.74% copper from 7m** (see Table 1, Figure 1).

Five drilling rigs were operational at Kangaluwi during the 2007 drilling season. A total of 19,827m of drilling was completed, including 14,712m of RC drilling and 5,115m of diamond drilling. Assay results have been received for approximately 50% of the RC drillholes to date, with the remainder of results due by the end of March 2008.

The 2007 drilling program was designed to extend and infill significant results from limited RC drilling carried out in 2006 and to produce a preliminary resource figure for Kangaluwi. Strike continuity of the mineralisation has been demonstrated over a distance of 3kms based on received assays and visual indications from both RC and Diamond drilling.

RC and Diamond drilling with a hole spacing of 50 x 50m has focused particularly on an 800m zone in the core of the prospect, and it is expected that a preliminary resource estimate will be completed for this zone by 1H 2008. In addition, preliminary metallurgical and infrastructure studies are underway.

Infill and extension soil geochemical surveys have identified further copper and gold anomalies over extensive areas of the Zambezi Licence containing the Kangaluwi Copper Project (Figure 2). The 2008 exploration program

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Stock Exchange Listings:
ASX: ZRL
AIM: ZRL

Issued Capital:
188,185,279 ordinary shares
10,400,000 options

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

Chief Financial Officer:
Lloyd Flint

will drill test these anomalies, and extensive drilling will focus on resource development at the Kangaluwi Prospect.

An airborne VTEM geophysical survey is planned and contracted for 2008 to refine and identify further targets on the Zambezi Licence. Airborne VTEM has proved very successful on Zambezi's Cheowa Copper Gold Project.

Downloads are available from the Zambezi website at: www.zambeziresources.com

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ADDITIONAL INFORMATION

Zambezi is listed on London's AIM market and the Australian Securities Exchange (ASX & AIM Ticker: ZRL) and currently has two main projects, Cheowa and Kangaluwi. Zambezi is one of Africa's most active exploration companies with a large, in-house, exploration execution capacity consisting of over 25 geologists and at least eight contracted drill rigs. The company is focused on discovering and developing large Copper-Gold projects in southern Zambia.

The company has entered into two Copper Joint Ventures with Glencore International AG ("Glencore") at Cheowa and the Chongwe Copper Belt. At Cheowa, Glencore is earning a 51% interest by spending US$10 million and is expected to earn their 51% by 2Q 2008.

At Kangaluwi, which is 100% owned, Zambezi is conducting extensive exploration drilling, as the company believes that the Kangaluwi project has the potential to be a world class open pit copper deposit. Zambezi plans a major resource drill out campaign in 2008 and 2009.

The company also has entered into two Uranium Joint Ventures on approximately 50% of its tenement area, one with Rio Tinto and the other with Lithic Metals and Energy.

The information in this report 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 December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Table 1: Kangaluwi Project RC Drill Hole Assay Results

Drillhole	Coordinates N	Coordinates E	Collar Elevation	Dip	Azi	Total Depth (m)	From (m)	To (m)	Interval Width (m)	Cu %
KNGRC0014	8290191	786691	684.8	-50	360	100	0	9	9	0.59
KNGRC0015	8290091	786685	699.2	-50	360	120	88	103	15	0.96
KNGRC0020	8290072	787088	698.3	-50	360	100	73	82	9	0.59
KNGRC0021	8289998	787090	702.4	-50	360	102	9	30	21	0.96
KNGRC0022	8289920	787092	699.1	-50	360	126	52	57	5	0.76
							59	66	7	2.14
KNGRC0027	8289990	787485	711.4	-50	360	138	101	106	5	0.66
KNGRC0028	8290043	787283	686.4	-50	360	132	81	84	3	1.10
							109	113	4	1.30
KNGRC0029	8289898	787586	724.9	-50	360	138	118	131	13	0.92
KNGRC0030	8289823	787690	734.1	-50	360	150	143	150	7	1.45
KNGRC0031	8289787	787790	728.0	-50	360	150	141	145	4	0.73
KNGRC0033	8290480	786601	664.7	-90	000	83	15	19	4	0.72
KNGRC0044	8290326	786391	673.0	-50	360	150	109	112	3	0.85
KNGRC0046	8290140	786685	689.1	-50	360	150	78	82	4	0.9
KNGRC0058	8289799	787735	729.3	-50	360	150	145	149	4	1.40
KNGRC0061	8289994	787039	709.4	-50	360	150	39	54	15	0.86
KNGRC0062	8290052	787041	706.3	-50	360	150	7	18	11	0.74
KNGRC0063	8289994	787136	694.6	-50	360	140	78	82	4	0.66
KNGRC0067	8289998	787338	689.6	-50	360	107	98	107	9	0.46

Coordinate system Arc50 UTM Zone 35S .Mineralised intervals calculated on basis of lower cutoff of 0.3% Cu, minimum mineralised interval of 0.5m, maximum internal waste of 1m. Mineralised intervals >2.5m% copper reported here. Mineralisation dipping to south at approx 40 degrees. Mineralised widths reported on downhole basis, true width approximately downhole width x 0.98.

Figure 1: Kangaluwi Project, RC and Diamond Drillhole Collar Locations and RC Drillhole Assay Results

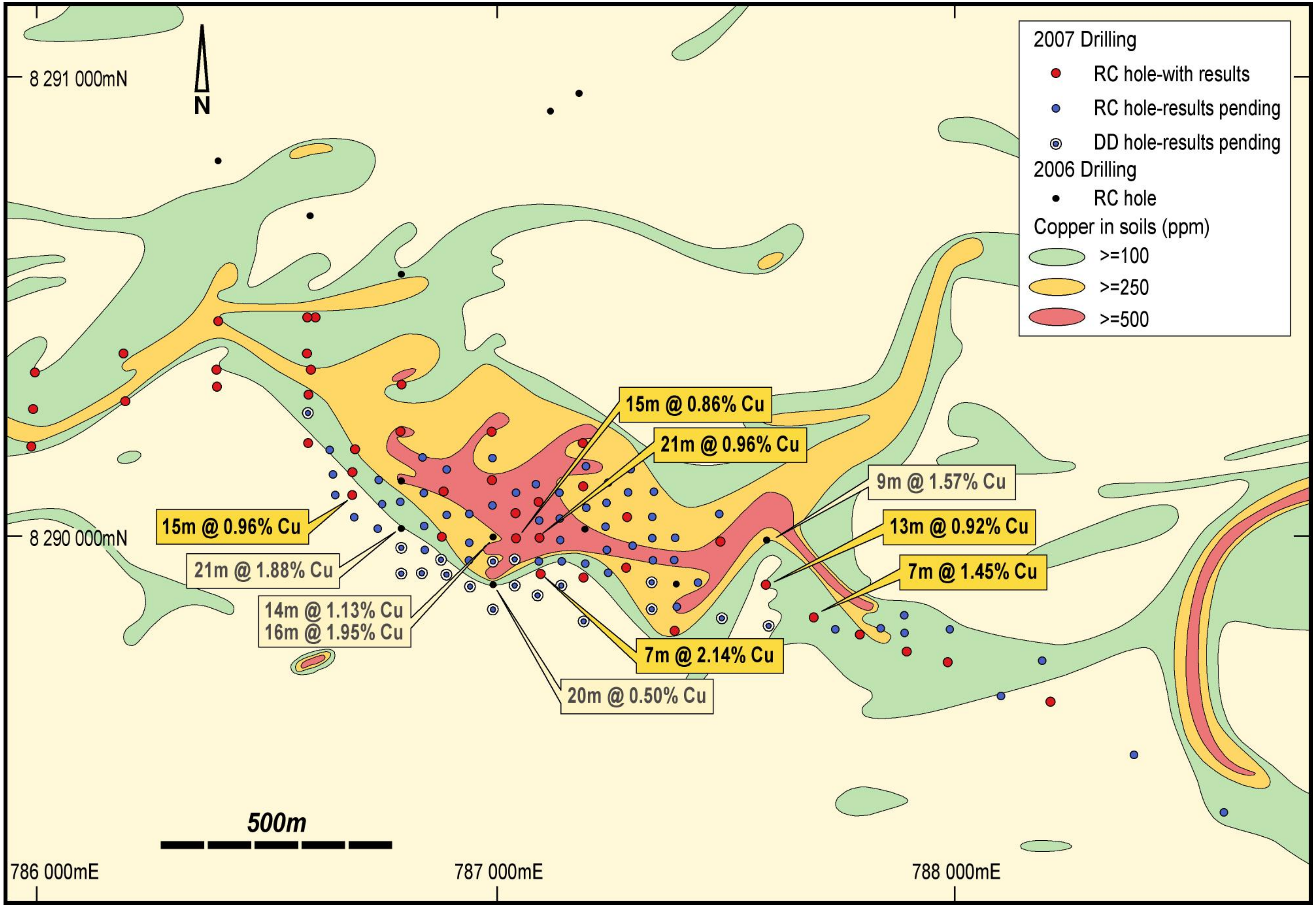

Figure 2: Kangaluwi District Regional Soil Sampling and Identified Copper Prospects.