ZAMBEZI RESOURCES LIMITED
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30 May 2013

ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via Email

Attention: **Ms Elizabeth Harris**

Dear Elizabeth,

RIGHTS ISSUE

Zambezi Resources Limited ("Zambezi" or "the Company") advises that the renounceable pro-rata entitlement issue pursuant to the Prospectus dated 22 April 2013 ("Offer") closed at 5:00 pm WST on 22 May 2013.

As at close date, the Company had not met the minimum share subscription amount from eligible shareholders. As a result, the overall minimum subscription amount of $10,000,000 under the Offer was not achieved.

The Prospectus Offer has therefore been withdrawn and no shares will be allotted or issued under the Offer. All subscription monies received will be refunded in accordance with the terms of the Prospectus and the Corporations Act.

The term of the $1.5 million Bridging Facility announced by the Company on 20 August 2012 has been extended to 30 April 2014.

The Company remains confident of obtaining the necessary environmental approval from the Zambian Government to enable it to advance its 100% owned Kangaluwi Copper Project in Zambia.

Yours sincerely

Frank Vanspeybroeck
CEO
Zambezi Resources Limited