

ASX Announcement

10 February 2014

Company Update

Zambezi Resources Ltd (ASX: ZRL) ("**Zambezi**" or "**the Company**") confirms that on 6 February 2014, the Lusaka High Court in Zambia granted an order, on an ex parte basis, for a stay of execution of the Zambian Minister of Lands, Natural Resources and Environmental Protection decision to overturn the Zambia Environmental Management Agency's (ZEMA) rejection of its Environmental Impact Study ("**EIS**") for its 100% owned Kangaluwi Copper Project in Zambia (refer ASX announcement dated 20 January 2014).

In the proceedings commenced the Zambian Government is the first respondent, with Mwembeshi Resources Limited (MRL), a wholly owned subsidiary of Zambezi, the second respondent.

The stay of execution has been granted pending the outcome of an appeal against the Minister's decision that has been lodged by an applicant group representing various organisations associated with the conservation movement in Zambia.

The Company notes that the stay of execution has been incorrectly referred to as an Injunction in various media outlets. It is in fact only a temporary court order granted based on a case put forward by the applicants only, without any response from the Zambian Government or the Company. Zambezi Resources only became aware of this matter via local media outlets. It is committed to providing necessary support to the Zambian Government to oppose the appeal.

Following the grant of the stay of execution, and pending the outcome of the court proceedings now on foot, Zambezi is temporarily unable to act on the approvals it has received from ZEMA (refer ASX announcement dated 5 February 2014) to proceed with the development of its Kangaluwi Copper Project, located in the Lower Zambezi National Park in Zambia.

At a court hearing listed on 18 February 2014, The Zambian Government and the Company have been given the opportunity to present their case and will be doing so.

Commenting on this matter, Zambezi Resources Limited Chairman, Mr David Vilensky, said, "Zambezi Resources will vigorously defend the approvals it has now received after a long process to develop its Kangaluwi Copper Project as approved by the Zambian Government and in accordance with the strict conditions issued by ZEMA and are hopeful the matter will be resolved promptly and positively for the benefit of the Company and its stakeholders."

– ENDS –

David Vilensky
Non-Executive Chairman
Zambezi Resources
Ph: 08 9325 9644

David Tasker
Professional Public Relations
Ph: 08 9388 0944
E: david.tasker@ppr.com.au

About Zambezi Resources Ltd

Zambezi Resources is an exploration and mining company listed on the Australian Stock Exchange (ASX: ZRL). The Company is developing copper and cement projects in southern Zambia. The basis for the company's strategy is Zambian mineral endowment, international capital and Australian expertise.

Zambezi has spent AUD\$60 million (approximately K 290 million) on its Zambian projects in the last nine years, with a significant portion at the Kangaluwi Copper Project. The Company holds a granted mining licence for the Kangaluwi Copper Project, covering 245 km² for an initial 25 years in Luangwa District. More information is available at <http://www.zambeziresources.com/>