

ASX Announcement

19 February 2014

Company Update

Zambezi Resources Ltd (ASX: ZRL) (“**Zambezi**” or “**the Company**”) confirms that on 18 February 2014, the Lusaka High Court in Zambia adjourned an *inter parte appeal* hearing in respect of the Company’s 100% owned Kangaluwi Copper Project in Zambia until 5 March 2014.

The appeal was lodged on 6 February 2014, at which time a stay of execution was granted on an *ex parte* basis that temporarily prevented Mwembeshi Resources Limited (MRL), a subsidiary of Zambezi, from commencing operations on the site.

The appeal was listed for hearing on 18 February 2014, having been lodged by an applicant group representing various organisations associated with the environmental movement.

The group is appealing against the Zambian Minister of Lands, Natural Resources and Environmental Protection’s decision to allow the Kangaluwi Copper Project to proceed in the upper escarpment area of the Lower Zambezi National Park. (Refer to ASX announcement dated 10 February 2014).

The Zambian Government is the first respondent, with Mwembeshi Resources Limited (MRL) as second respondent in this matter.

The adjournment was granted at the request of the Attorney General on behalf of the Government on the basis that the appellants had failed to serve the court papers on him, as they were obliged to do. The appellants’ legal representative also sought an adjournment. Accordingly, the stay of execution was also extended until the adjourned hearing on 5 March 2014.

Following the Minister of Lands’ approval of the project, the Minister of Information and Broadcasting Services, and Chief Spokesman Hon. Mwansa Kapeya on 14 February 2014 said:

“Following conflicting statements issued on the Kangaluwi Copper Project, I would like to inform the nation that the Government’s position is as interpreted by the Ministry of Lands, Natural Resources and Environmental Protection.

As the matter is now before the courts of law, we should avoid making any statements on it until it is finally adjudicated upon.



Government expects a fair balance between the benefits of mining and the protection of wildlife conservation, and that the policies and laws will be respected and adhered to and the investment will create employment opportunities for ordinary Zambians.”

Zambezi Resources Chairman David Vilensky said:

“Zambezi Resources will defend its mining licence, issued by the Ministry of Mines Energy and Water Development in 2011, and is confident that this matter will be resolved positively for the Company and its stakeholders.

This is an opportunity for Zambia to spearhead a new era in environmentally sustainable mining, and Zambezi Resources is confident that by introducing state-of-the-art technology and methods, it can balance the interests of local communities, development and the environment. This is not about the environment versus development, with one side winning and the other losing. Zambezi Resources believes there is a middle way where all interests can co-exist.

It is unfortunate that the current legal proceedings have stymied a rational debate on the issue and stopped Zambezi Resources from making wider public statements on its plans to develop the Kangaluwi Copper Project as the model for ecologically responsible mining.”

– ENDS –

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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 the Kangaluwi Copper Project, having been granted a mining licence of 245 km² for an initial 25 years in Luangwa District. More information is available at <http://www.zambeziresources.com>