

*ASX Announcement*

6 March 2014

## Company Update

Zambezi Resources Ltd (ASX: ZRL) ("**Zambezi**" or "**the Company**") confirms that on 5 March 2014, the Lusaka High Court in Zambia concluded the *inter party* appeal hearing in respect of the Company's 100% owned Kangaluwi Copper Project in Zambia.

The judge has reserved his decision in the case and has indicated he will hand it down as soon as possible after 14 March 2014. The two key legal issues on which the judge indicated he will rule upon are the stay of execution and the irregularity of the appeal.

At the latest hearing the appellants sought a further adjournment, which was declined by the judge, who did however allow any party to file further material by 14 March 2014.

Accordingly, the stay of execution remains in place until the decision is handed down and temporarily prevents Mwembeshi Resources Limited (MRL), a subsidiary of Zambezi, from commencing operations on the site in accordance with its mining licence, issued by the Ministry of Mines Energy and Water Development in 2011.

The appeal was lodged on 6 February 2014 by an applicant group representing various organisations associated with the environmental movement that opposes 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 and 19 February 2014). The stay of execution was granted to the appellants on an *ex parte* basis at the time the appeal was lodged and before both Zambezi and the Zambian Government were even aware that an appeal had been lodged.

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

Zambezi Resources Chairman David Vilensky said:

*"Zambezi Resources has the utmost respect for the Zambian legal process, and with the hearing now concluded, Zambezi Resources awaits the decision of the presiding judge, who has given a clear indication he will hand down his reserved decision as soon as possible after 14 March 2014. The Company remains positive about receiving a favorable outcome."*



*Zambezi Resources laments the lack of support from the conservation movement, with which it would like to proactively engage to ensure that the Kangaluwi Copper Project, if allowed to proceed following the appeal hearing, is at the forefront of a new generation of environmentally sustainable mine development that benefits shareholders, the Zambian economy, local communities and the environment.”*

**– ENDS –**

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