

**ASX Announcement**  
**15 December 2014**

## Company Update

Zambezi Resources Limited ("**Zambezi**" or the "**Company**") is pleased to announce that the appeal lodged by certain Zambian conservation groups ("**Appellants**") against a decision of the Minister of Lands, Natural Resources and Environment Protection on 17 January 2014 to allow the Company to develop its 100% owned Kangaluwi Copper Project in the Lower Zambezi National Park, Zambia has now been listed for hearing in the Zambian High Court on 4 February 2015.

The listing of the hearing of the appeal on 4 February 2015 follows the recent dismissal by the High Court of Lusaka of an application by the Appellants to stay the High Court proceedings pending the determination of their separate appeal in the Supreme Court of Zambia on a technical ruling handed down by the High Court on 5 April 2014 (See ASX Announcement dated 18 November 2014).

The appeal to the Supreme Court by the Appellants was abandoned after Justice Chali of the Lusaka High Court ruled against them on 17 November 2014 by refusing to stay their appeal in the High Court of Lusaka while their separate appeal to the Supreme Court on the technical point was being prosecuted.

Had the Appellants application to stay the appeal in the High Court been successful (which it was not), the Company's attempts to deal with the appeal on its merits and lift the stay of execution against the project could have stalled potentially for up to 2 years. This potential outcome has now been avoided.

The Company, as well as the Zambian Government (represented by the Attorney General), will at last get their opportunity to oppose the appeal on its merits on a fixed date (4 February 2015) which is now less than 2 months away.

### Background:

The appeal hearing in the High Court of Lusaka referred to above is the appeal lodged by certain Zambian conservation groups against a decision of the Minister of Lands, Natural Resources and Environmental Protection on 17 January 2014 to allow the Company to develop its 100% owned Kangaluwi Copper Project in the Lower Zambezi National Park in Zambia. In the appeal the Zambian Government is the first respondent and Mwembeshi Resources Ltd, a wholly owned subsidiary of Zambezi, is the second respondent. (Refer ASX Announcements dated 20 January 2014, 7 April 2014, 9 June 2014, 18 July 2014, 24 July 2014, 30 September 2014 and 18 November 2014).

The decision of the Minister effectively allowed the Company to proceed with the developments of its 100% owned Kangaluwi Copper Project located in the Lower Zambezi National Park in Zambia.

On 6 February 2014 at the request of the Appellants, the Lusaka High Court granted an order, on an ex parte basis, for a stay of execution of the decision of the Minister to allow Zambezi to develop its Kangaluwi Copper Project.

The stay of execution remains in place pending the outcome of the appeal against the Minister's decision. It is this appeal that has now been listed for hearing on 4 February 2015, an outcome which is welcomed by the Company.

Shareholders will be given a further update of developments in the appeal process following the hearing of the appeal itself on 4 February 2015.

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**Zambezi Resources Limited**

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