

Company Update

Zambezi Resources Limited ("**Zambezi**" or the "**Company**") is pleased to announce that the hearing of 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 which was heard on 18 February 2015 has at last been finalized.

The matter had originally been listed for final hearing on 4 February 2015 but an adjournment was granted by the Appeal Judge at the request of the Appellants who were not ready to proceed on that date. The Judge then ordered all parties to provide final consolidated submissions within seven (7) days with the final hearing to take place on 18 February 2015 (see ASX Announcement dated 5 February 2015). This has now occurred.

The appeal has therefore been concluded and the Appeal Judge has listed the matter on 28 April 2015 for Judgment. The decision on the appeal to be handed down on 28 April 2015 will also deal with the stay of execution which remains in place pending the outcome of the appeal.

It is now just a question of waiting for the Judgment on the appeal to be handed down on 28 April 2015.

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, 18 November 2014 and 15 December 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. The appeal hearing was finalised on 18 February 2015 an outcome which is welcomed by the Company. Shareholders will be given a further update once the Judgment is handed down on 28 April 2015.

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