

Company Update

Zambezi Resources Limited ("**Zambezi**" or the "**Company**") announces that the decision on 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 been delayed. As announced on ASX on 19 February 2015 the hearing of the appeal was finalized on 18 February 2015 and the matter was listed on 28 April 2015 for Judgment on the appeal as well as the stay of execution which remains in place pending the outcome of the appeal.

There is nothing further any of the parties to the appeal can do other than await the decision of the Appeal Judge.

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, 15 December 2014, 5 February 2015 and 19 February).

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.

Shareholders will be given a further update once our lawyers in Zambia are informed when the Judgment will be handed down.

-END-

Zambezi Resources Limited

David Vilensky

Chairman

Tel: +61 8 6555 1879

Email: info@zambeziresources.com