

**ASX Announcement**  
*Friday, 1 May 2015*

## US\$4M Memorandum of Understanding Signed with Chinese Construction Company

Zambezi Resources Limited ("**Zambezi**" or the "**Company**") is pleased to announce that it has entered into a binding Memorandum of Understanding ("**MOU**") with African Brothers Corporation Limited ("**ABC**"), a Chinese construction company based in Zambia for the sale of Mpande Limestone Limited, a Zambian company which is a wholly owned subsidiary of ZRL that owns the cement limestone project ("**Mpande Project**") which is in a 50/50 joint venture with Limestone Ventures Pty Ltd.

The essential features of the MOU are as follows:

1. It provides ABC an exclusive due diligence period of 9 months to decide whether or not to acquire the Mpande Project by way of 100% acquisition of the shares in Mpande Limestone Limited ("**MLL**").
2. A condition precedent of the MOU is that ABC pays ZRL a sum of US\$100,000 towards the purchase price which has been paid today. ZRL is entitled to access these funds immediately.
3. In the event that ABC decides not to proceed to acquire the Mpande Project at the conclusion of the 9 month due diligence period, ZRL is not required to refund the deposit but is instead obliged to transfer to ABC shares in ZRL to the value of US\$100,000.
4. In the event that ABC decides to proceed to acquire the Mpande Project, it must immediately inform ZRL and within 30 days of the conclusion of the 9 month due diligence period a Share Purchase Agreement ("**SPA**") must be executed for a purchase price of US\$4,000,000. Of this latter sum, US\$1,000,000 will be paid within 30 days of the signing of the SPA and a further US\$1,000,000 will be paid within 30 days of the first payment. The final payment of US\$1,900,000 (being US\$2,000,000 less the US\$100,000 deposit) will be paid within 12 months from the date of execution of the SPA.
5. In the event that ABC decide not to proceed all of the information produced during the due diligence period, including drilling and assay reports, will be delivered to ZRL as its own property.

The Board of ZRL believe that they have negotiated a fair price for the Mpande Project in a difficult and challenging financial and resources market which allows the Company to focus on its major core asset being its 100% owned Kangaluwi Copper Project, and enable it to repay some debt.

ABC is a reputable and well established company that has been operating in Zambia for more than 20 years and has a strong vision to establish a cement factory within the Mpande Project tenement area.

**-END-**

**Zambezi Resources Limited**

David Vilensky

Chairman

Tel: +61 8 6555 1879

Email: [info@zambeziresources.com](mailto:info@zambeziresources.com)