

Zambezi Resources Announces \$500k Capital Raising

Zambezi Resources Limited ("**Zambezi**" or the "**Company**") is undertaking a pro-rata non-renounceable Rights Issue ("**Rights Issue**") to eligible shareholders on the basis of one (1) new Zambezi ordinary share ("**New Share**") for every three (3) Zambezi ordinary shares held as at 5:00 pm (WST) on 28 May 2015 ("**Record Date**"), at an offer price of \$0.04 per New Share. The Rights Issue will seek to raise up to approximately \$506,000 (before costs).

The Rights Issue is not underwritten and the directors reserve the right to issue the shortfall at their absolute discretion.

The funds raised will be applied for working capital purposes and towards the ongoing funding of the Company's legal challenge of successfully dismissing the appeal and removing the stay of execution that is currently preventing the Company from developing its 100% owned Kangaluwi Copper Project. The need for additional funds has come about largely as a result of the delay in the handing down of the appeal decision that was announced to the ASX on 29 April 2015.

The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted ordinary shares.

Eligible shareholders will receive a copy of the Rights Issue document and accompanying Entitlement and Acceptance form setting out the relevant details.

The Rights Issue closes at 5:00 pm (WST) on 12 June 2015. To participate, you need to ensure that you have completed the Entitlement and Acceptance form and paid all monies before this time and date.

Key dates are set out below:

The indicative timetable for the Rights Issue is as follows:

Event	Date
Announcement of the Offer, notify option holders of Offer, lodgement of Appendix 3B, Offer Document and Section 708AA Notice with the ASX	Prior to commencement of trading on 22 May 2015
Notice sent to shareholders containing information required by Appendix 3B and details of the timetable	25 May 2015
Shares quoted on "ex" basis	26 May 2015

Event	Date
Record Date to determine Entitlements under the Offer	5:00pm WST on 28 May 2015
Offer document and Entitlement and Acceptance Form despatched to Eligible Shareholders	2 June 2015
Last day to extend Offer Closing Date	9 June 2015
Offer Closing Date	5:00pm WST on 12 June 2015
Securities quoted on a deferred settlement basis	15 June 2015
Company to notify ASX of under subscriptions	17 June 2015
Allotment of new shares (Issue Date)	Prior to 12:00 noon on 19 June 2015
Despatch of Holding Statements	22 June 2015
Date of quotation of new shares issued under the rights issue	22 June 2015

The Directors reserve the right subject to the Listing Rules to amend the timetable at their discretion.

Non Settlement Day: 8 June 2015

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Zambezi Resources Limited

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