



ASX Announcement

25 November 2010

Kangaluwi Copper Project Update

Additional Positive Assay Results from Kalulu Prospect and proceeding to Public Consultations for Mining Licence Application

- 100% owned Kangaluwi Copper Project - positive results from new assay programme continues on outstanding samples from previous drilling programme
- New sample assays confirms extension of copper mineralisation into Kalulu prospect in the hinge zone of the folded system
- Multiple intersections extend from near surface to 130 m in eight additional RC holes
- Wider copper mineralisation intersected, up to 10 m at 0.94% Cu and 9m at 1.27% Cu at relatively shallow depths
- Significant grades encountered in wider intersections include 2 m at 1.84% Cu and 4 m at 2.24% Cu respectively
- Public consultations to be held in Zambia in week beginning 29th November 2010, as part of Mining Licence Application

KANGALUWI COPPER PROJECT - KALULU PROSPECT

As part of the continuing assay programme on previously sampled drilling, Zambezi Resources Limited (“Zambezi” or “the Company”) has now received additional positive assay results from the Kalulu prospect, part of the Kangaluwi Copper Project.

The Kalulu prospect lies in the hinge zone of the structurally complex Kangaluwi Copper Project area which comprises three separate prospects, Kangaluwi, Chisawa located on the limbs of a synformal folded system, with Kalulu in the hinge zone.



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The Kalulu prospect assay results are indicating the classic style of wider intersections normally associated with the hinge zones of folds, where low pressure zones are conducive to mineralisation being deposited.

Results come from eight reverse circulation holes (“RC”), previously drilled on the Kalulu Prospect, and extend down to 178 m depth. Mineralisation starts close to surface and ranges from 1 m at 0.33% Cu from 8 m to 9 m depth; 10 m at 0.94 % Cu from 76 m to 78 m depth and 9 m at 1.27% Cu from 65 m to 74 m.

Within the wide intersections are significantly higher grades including 2 m at 1.84% Cu between 68 m to 70 m and several 1 m intersections at over 2.0% Cu.

The results to date confirm the classic association between mineralisation and fold structures with wider intersections of copper mineralisation in the hinge of the folded system compared to the limbs. This aspect is expected to have positive implications in terms of both grade and tonnage.

Hole_ID	UTM_E	UTM_N	RL(m)	Incli	Azimu	mFrom	mTo	Width(m)	Cu_%	Intercept	Comment
KLURC0002	784844.78	8290419.773	690.61	-50	350	58	60	2	1.24	2.00m @ 1.24% Cu	Inclusive of 1m @ 1.90% Cu (58-59m)
KLURC0002	784844.78	8290419.773	690.61	-50	350	63	73	10	0.94	10.00m @ 0.94% Cu	Inclusive of 2m @ 1.84% Cu (68-70m)
KLURC0002	784844.78	8290419.773	690.61	-50	350	76	78	2	0.92	2.00m @ 0.92% Cu	Inclusive of 1m @ 1.30%Cu (76-77m)
KLURC0002	784844.78	8290419.773	690.61	-50	350	85	88	3	0.64	3.00m @ 0.64% Cu	
KLURC0002	784844.78	8290419.773	690.61	-50	350	114	117	3	0.60	3.00m @ 0.60% Cu	
KLURC0002	784844.78	8290419.773	690.61	-50	350	123	125	2	0.54	2.00m @ 0.54% Cu	
KLURC0002	784844.78	8290419.773	690.61	-50	350	133	134	1	0.34	1.00m @ 0.34% Cu	
KLURC0002	784844.78	8290419.773	690.61	-50	350	138	143	5	0.49	5.00m @ 0.49% Cu	Inclusive of 1m @ 1.00%Cu (142-143m)
KLURC0003	784908.6	8290341.546	697.97	-50	312	116	117	1	1.32	1.00m @ 1.32% Cu	
KLURC0003	784908.6	8290341.546	697.97	-50	312	130	133	3	0.50	3.00m @ 0.50% Cu	
KLURC0003	784908.6	8290341.546	697.97	-50	312	139	140	1	0.32	1.00m @ 0.32% Cu	
KLURC0003	784908.6	8290341.546	697.97	-50	312	142	143	1	0.34	1.00m @ 0.34% Cu	
KLURC0003	784908.6	8290341.546	697.97	-50	312	171	178	7	0.44	7.00m @ 0.44% Cu	Inclusive of 1m @ 0.88%Cu (176-177m)

Hole_ID	UTM_E	UTM_N	RL(m)	Incl	Azi	mFrom	mTo	Width(m)	Cu_%	Intercept	Comment
KLURC0004	784772.201	8290217.057	687.487	-50	311.5	112	114	2.00	1.06	2.00m @1.06% Cu	Inclusive of 1m @ 1.83%Cu (112-113m)
KLURC0004	784772.201	8290217.057	687.487	-50	311.5	117	119	2.00	0.38	2.00m @ 0.38% Cu	
KLURC0004	784772.201	8290217.057	687.487	-50	311.5	127	130	3.00	1.65	3.00m @ 1.65% Cu	Inclusive of 1m @ 2.30%Cu (128-129m)
KLURC0005	784775.573	8290485.459	674.04	-50	311.5	8	9	1.00	0.33	1.00m @ 0.33% Cu	
KLURC0005	784775.573	8290485.459	674.04	-50	311.5	72	77	5.00	0.39	5.00m @ 0.39% Cu	
KLURC0005	784775.573	8290485.459	674.04	-50	311.5	80	84	4.00	1.07	4.00m @ 1.07% Cu	Inclusive of 1m @ 2.01%Cu (81-82m)
KLURC0007	784624.644	8290077.088	627.549	-50	311.5	91	92	1.00	0.32	1.00m @ 0.32% Cu	
KLURC0007	784624.644	8290077.088	627.549	-50	311.5	107	114	7.00	0.75	7.00m @ 0.75% Cu	Inclusive of 1m @ 2.07%Cu (108-109m)
KLURC0007	784624.644	8290077.088	627.549	-50	311.5	118	119	1.00	0.45	1.00m @ 0.45% Cu	Inclusive of 1m @ 1.31%Cu (111-112m)
KLURC0008	784553.17	8290150.617	620.741	-50	311.5	53	55	2.00	0.56	2.00m @ 0.56% Cu	
KLURC0008	784553.17	8290150.617	620.741	-50	311.5	59	64	5.00	1.03	5.00m @ 1.03% Cu	Inclusive of 2m @ 1.87%Cu (61-63m)
KLURC0011	784661.875	8290332.493	648.945	-50	311.5	10	16	6.00	0.31	6.00m @ 0.31% Cu	
KLURC0011	784661.875	8290332.493	648.945	-50	311.5	88	91	3.00	1.08	3.00m @ 1.08% Cu	Inclusive of 2m @ 1.37%Cu (88-90m)
KLURC0014	784332.103	8289943.119	694.001	-54	316.5	65	74	9.00	1.27	9.00m @ 1.27% Cu	Inclusive of 4m @ 2.24%Cu (67-71m)
KLURC0014	784332.103	8289943.119	694.001	-54	316.5	80	81	1.00	0.33	1.00m @ 0.33% Cu	
KLURC0014	784332.103	8289943.119	694.001	-54	316.5	87	89	2.00	0.52	5.00m @ 0.52% Cu	

Coordinate system Arc1950 UTM Zone 35S. Mineralized intervals reported on basis of lower cut off of 0.3% Cu. Mineralisation dipping to S at approximately 35 degrees. Mineralised widths reported on downhole basis, true width approximately downhole width x 0.98. Azimuths reported on UTM grid north = 5.5 degrees magnetic. KLURC prefix denotes Reverse Circulation (RC) drill holes.

Once all the assay results from the Kalulu Prospect are in it is the intention that a resource estimate will be calculated for this section of the Kangaluwi Project. The Kangaluwi Copper Project has a combined strike length (comprising Kangaluwi, Kalulu and Chisawa prospects) in excess of 28 km. Kangaluwi and Chisawa have been drill tested for around 4.5 km of their respective strike lengths, of which over 75% remains to be drill tested.

These results point towards a possible increased resource estimate for the Kangaluwi Copper Project, which is now being advanced through an application for a Mining Licence.

LARGE SCALE MINING LICENCE APPLICATION

As previously announced on 16th November 2010, Zambezi is advancing its application for a Large Scale Mining Licence through a series of public consultations to be held in Zambia.

The public consultations will be held in Chongwe, on the Great Eastern Highway which is the main access road to the Lower Zambezi National Park.

As part of the Environmental and Social Impact Assessment process, Zambezi has invited Government Agencies, Local Authorities, Traditional leadership, Non-Governmental Authorities, Community based Organisations, Affected Communities and Individuals to the meeting. The consultation meeting will comprise the following:

Presentation of the EIA Process in Zambia (GeoQuest Consultants)

Presentation of the Kangaluwi Project (David Russell, CEO, Zambezi Resources)

Presentation of Environmental Baseline Studies by two Environmental Consultants for Flora and Fauna respectively

Inputs from Stakeholders and General Public regarding the project

The intention is to facilitate open discussion, to raise issues that may require mitigation as part of the studies for the proposed mining venture and to gain further community support for the project.

Zambezi is pleased to be moving forward with this process and considers this an important step towards gaining a Mining Licence

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms Chiedza Nematadzira BSc Hon Geology and Borniface Nquni, MAIG, of Caracle Creek Consulting Zambia who are both Competent Persons as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition) and who consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on Zambezi's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Zambezi, which could cause actual results to differ materially from such statements. Zambezi makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of this release.