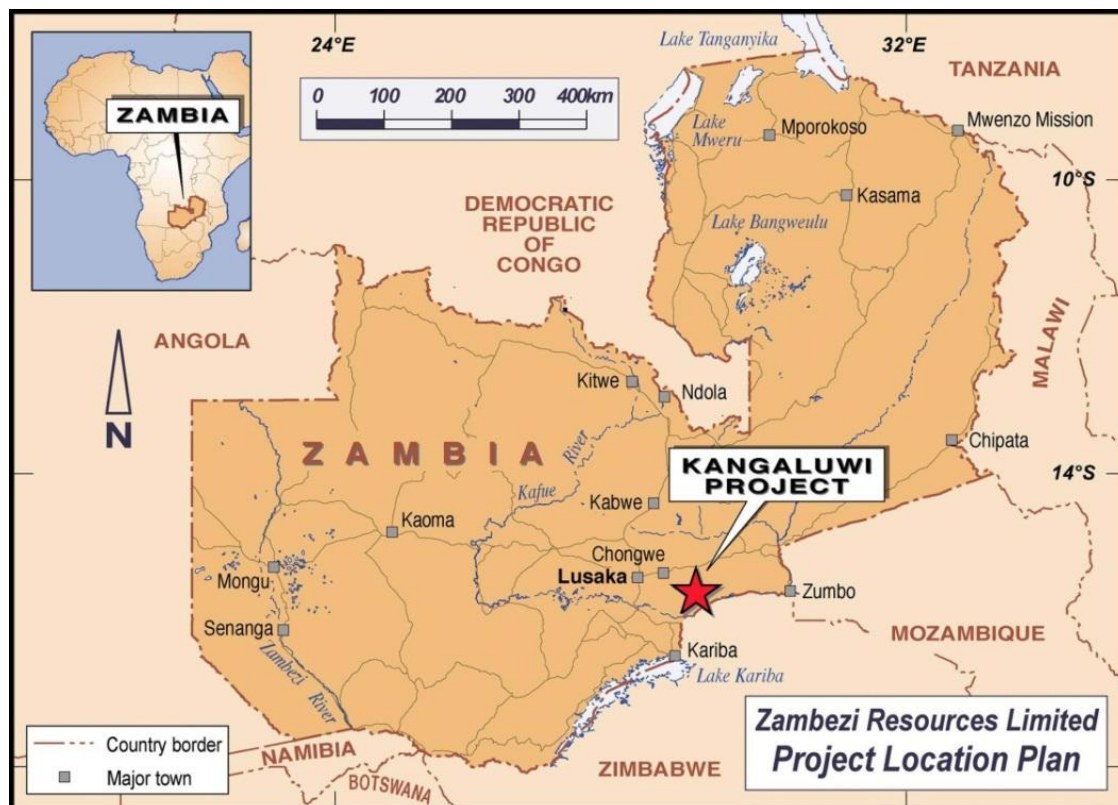


**ASX Announcement**  
*3 August 2011*

## First Assay Results from the Current Kangaluwi Copper Project Diamond Drilling Program

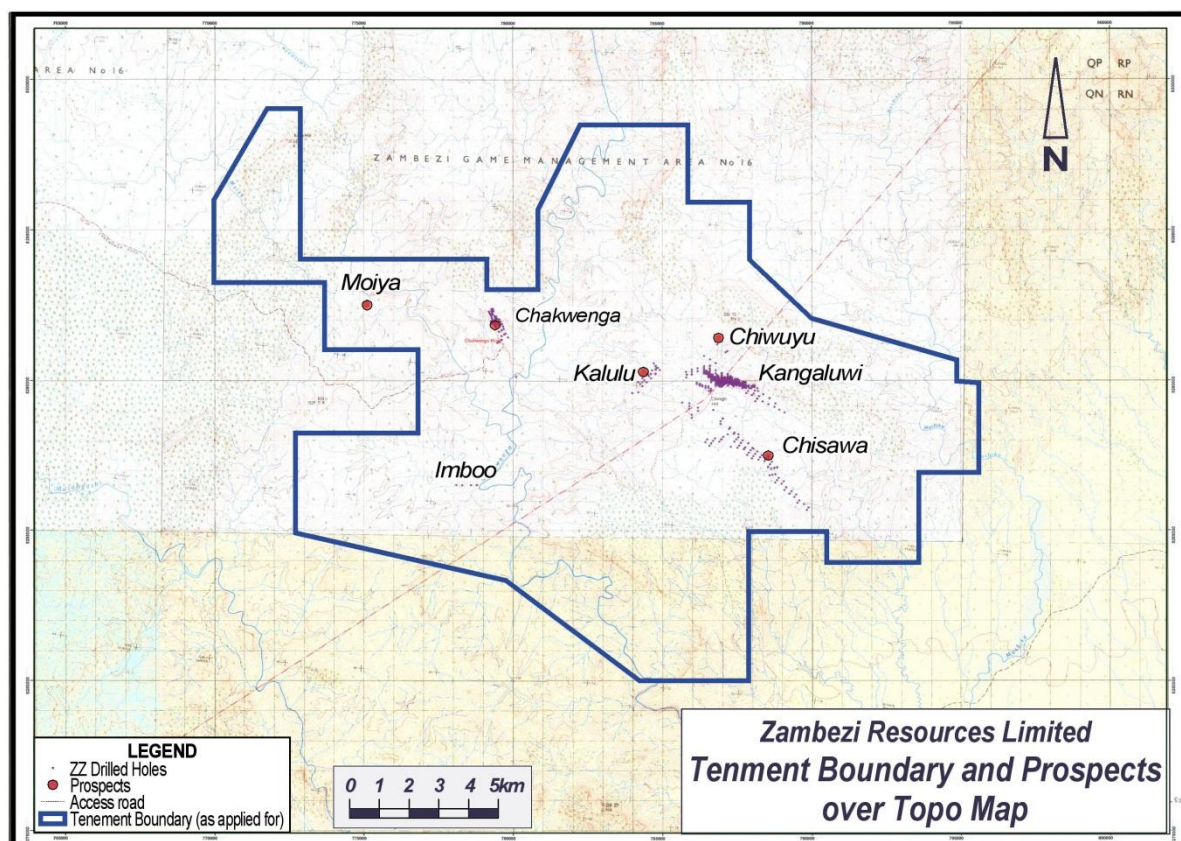
- Phase 1 drilling program remains on track with 63 Diamond Drill (DD) holes for 11,703 m drilled to-date.
- Phase 2 deep DD drilling for 10,000 m has commenced to test down-dip mineralisation extents.
- Assay results to date confirm extensive copper mineralisation in the Kalulu Prospect with wider copper mineralisation intersected up to 10 m at 1.13% Cu, 14 m at 0.99% Cu and 21 m at 0.79% Cu.
- All 6 holes at Kalulu intercepted mineralisation at multiple depths suggesting several more ore chutes than previously interpreted.



**FIGURE 1: PROJECT LOCATION**

Zambezi Resources Limited (the Company) has received initial assay results from its Kalulu and Chisawa Prospects, part of the 100% owned Kangaluwi Copper Project (the Project) in Zambia.

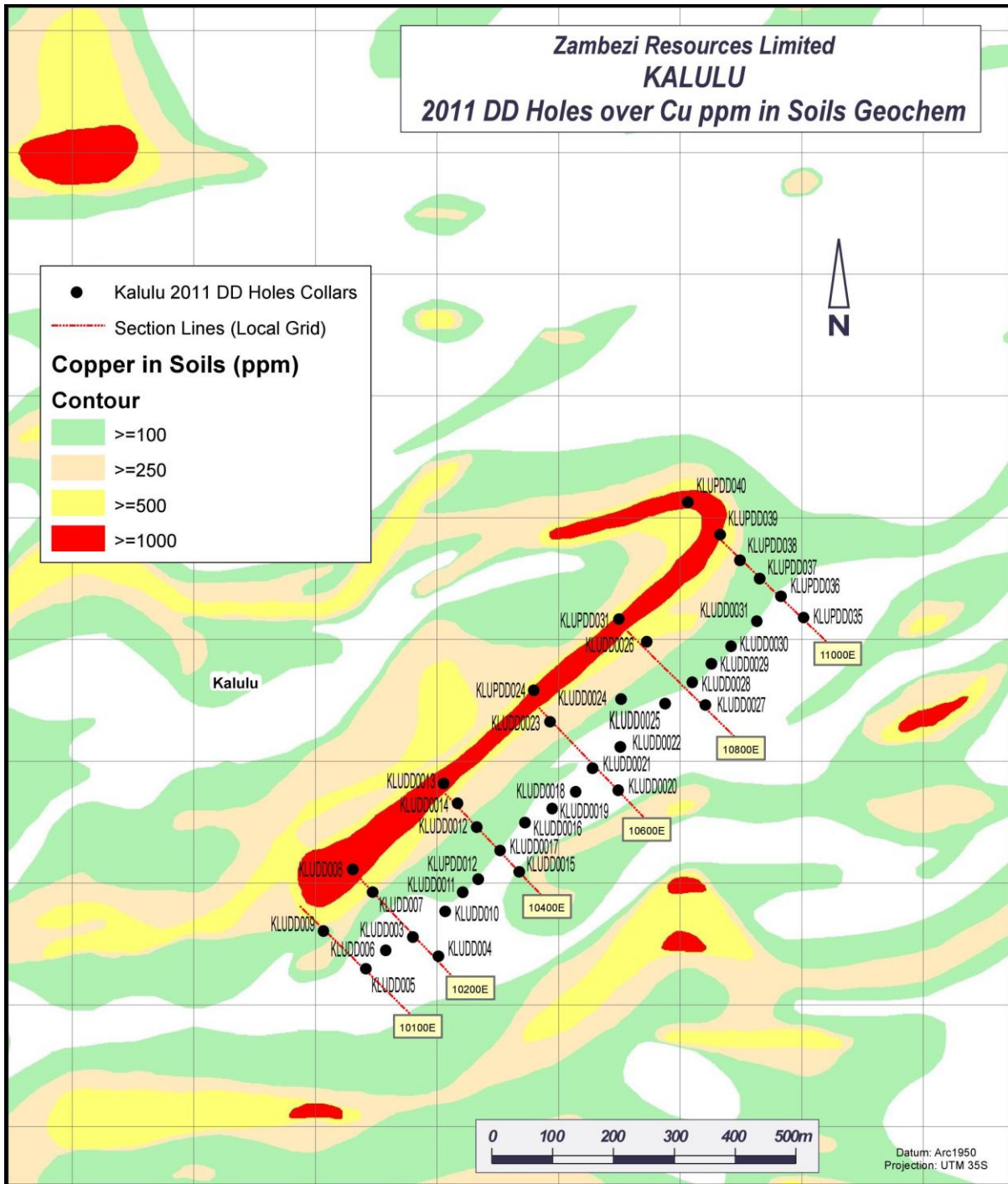
In April this year the Company commenced its A\$3.5 million 13,000 m diamond drilling campaign at the Project.



**FIGURE 2: 250KM<sup>2</sup> MINING LICENCE AND KANGALUWI COPPER PROJECT PROSPECTS**

## 1.0 Kalulu Prospect

All budgeted 38 DD holes for 6,640 m were drilled at Kalulu. Kalulu is interpreted to lie at the nose of the east-plunging fold. Sulphide mineralisation is structurally controlled in a sheared, regional east-plunging syncline. Kalulu's strike length of 1.2 km was drilled at 100 m intervals, both between and along RC drill sections. This will result in a 50 m x 50 m grid drill coverage and should advance the Kalulu resource to Indicated Mineral Resource category (see Figure 3).



**FIGURE 3: MAP SHOWING DRILLED DD HOLES AT KALULU**



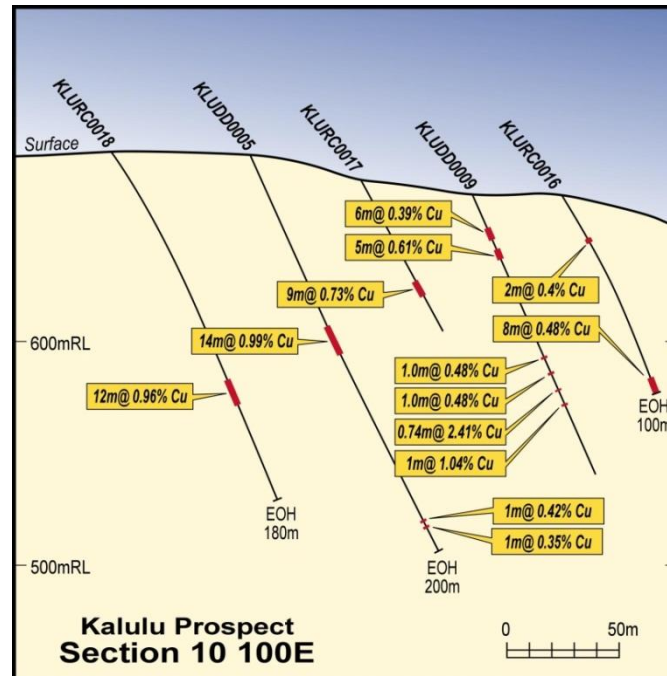
Results received are from 6 DD holes drilled along sections 10100E, 10150E and 10200E and significant intersections are shown below.

**TABLE 1: KALULU PROSPECT – DD DRILLING ASSAY RESULT**

Hole_ID	Northing	Easting	RL	EOH Depth	Inclination	Azimuth	From (m)	To (m)	Width (m)	Cu%	Intercept
KLUDD0003	8289900	784362	683	200.72	-60	320	72.6	73.8	1.2	0.44	1.2m @ 0.44 %TCu
KLUDD0003	8289900	784362	683	200.72	-60	320	75.5	77	1.50	1.51	1.5m @ 1.51 %TCu
KLUDD0003	8289900	784362	683	200.72	-60	320	109	111	2.00	0.54	2m @ 0.54%TCu
KLUDD0003	8289900	784362	683	200.72	-60	320	157	159	2.00	0.78	2m @ 0.78%TCu
KLUDD0004	8289873	784406	687	207.00	-60	320	88.60	91.00	2.40	1.69	2.4m @ 1.69 %TCu
KLUDD0004	8289873	784406	687	207.00	-60	320	124.00	127.00	3.00	0.35	3.0m @ 0.35 %TCu
KLUDD0004	8289873	784406	687	207.00	-60	320	183.00	184.00	1.00	0.36	1m @ 0.36 %TCu
KLUDD0005	8289850	784290	682	200	-60	320	87.00	101.00	14.00	0.99	14.0m @ 0.99 %TCu
KLUDD0005	8289850	784290	682	200	-60	320	184.00	185.00	1.00	0.42	1m @ 0.42%TCu
KLUDD0005	8289850	784290	682	200	-60	320	187.00	188.00	1.00	0.35	1m @ 0.35%TCu
KLUDD0006	8289894	784320	687	214	-60	320	78.00	88.00	10.00	1.13	10m @ 1.13 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	98.00	99.00	1.00	0.48	1m @ 0.48 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	110.00	111.00	1.00	0.46	1m @ 0.46 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	125.00	126.00	1.00	0.64	1m @ 0.64 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	138.00	139.00	1.00	0.30	1m @ 0.30 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	164.00	165.00	1.00	0.48	1m @ 0.48 %TCu
KLUDD0006	8289894	784320	687	214	-60	320	167.00	168.00	1.00	0.40	1m @ 0.40 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	44.00	65.00	21.00	0.79	21m @ 0.79 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	88.00	89.00	1.00	0.44	1m @ 0.44 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	90.00	91.00	1.00	0.51	1m @ 0.51 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	92.00	94.00	2.00	0.42	2m @ 0.42 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	110.00	111.00	1.00	0.44	1m @ 0.44 %TCu
KLUDD0007	8289981	784310	687	168	-60	320	135.00	136.00	1.00	0.96	1m @ 0.96 %TCu
KLUDD0009	8289922	784216	654	144	-60	320	13.00	19.00	6.00	0.41	6m @ 0.39 %TCu
KLUDD0009	8289922	784216	654	144	-60	320	24.00	29.00	5.00	0.61	5m @ 0.61 %TCu
KLUDD0009	8289922	784216	654	144	-60	320	79.00	80.00	1.00	0.48	1m @ 0.48 %TCu
KLUDD0009	8289922	784216	654	144	-60	320	87.00	88.00	1.00	0.48	1m @ 0.48 %TCu
KLUDD0009	8289922	784216	654	144	-60	320	95.76	96.50	0.74	2.41	0.74m @ 2.41%TCu
KLUDD0009	8289922	784216	654	144	-60	320	103.00	104.00	1.00	1.04	1m @ 1.04 %TCu

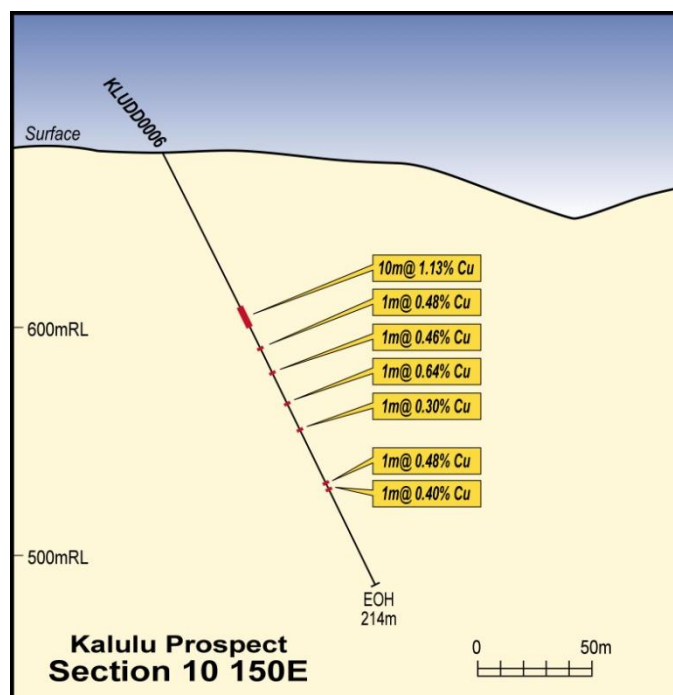
**Note:** Intercepts were calculated @ 0.30%Cu minimum cut off downhole width  
 Co-ordinate System Arc 1950 UTM Zone 355

Hole KLUDD005 drilled on section 10100E displayed both chalcopyrite and bornite sulphide mineralisation. KLUDD009 was drilled through biotite-muscovite-quartz schist and with malachite mineralisation intersected in KLURL0017 (Figure 4).



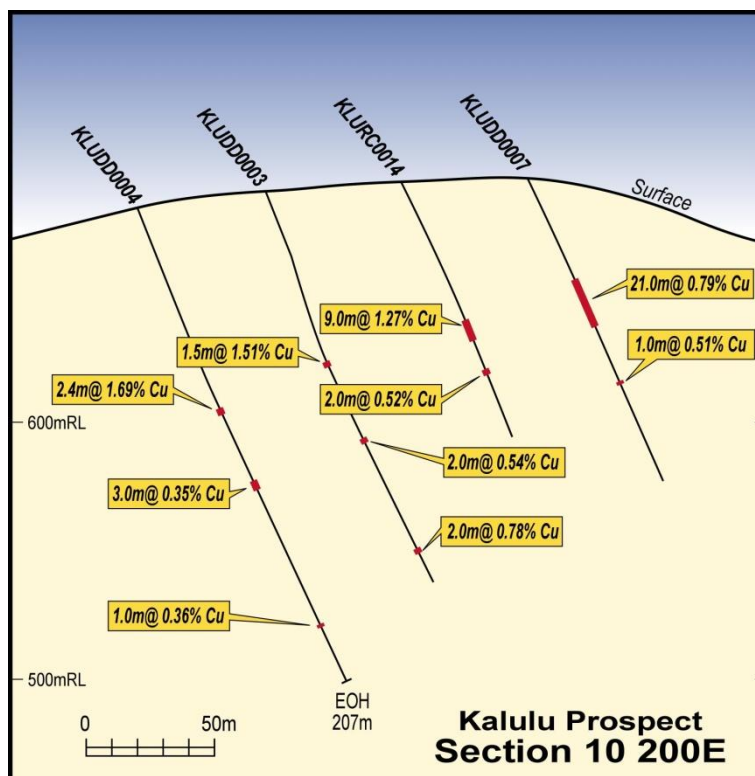
**FIGURE 4**

Hole KLUDD006 drilled on section 10150E intersected quartz-biotite schist, garnet-chlorite-biotite schist and quartz-biotite-muscovite schist (Figure 5).



**FIGURE 5**

Holes KLUDD003, KLUDD004 and KLUDD007 were drilled on section 10200E (Figure 6). Mineralisation in KLUDD003 & KLUDD004 holes was predominantly chalcopyrite, while KLUD007 exhibited a 20 m thick mineralised zone of azurite and malachite.

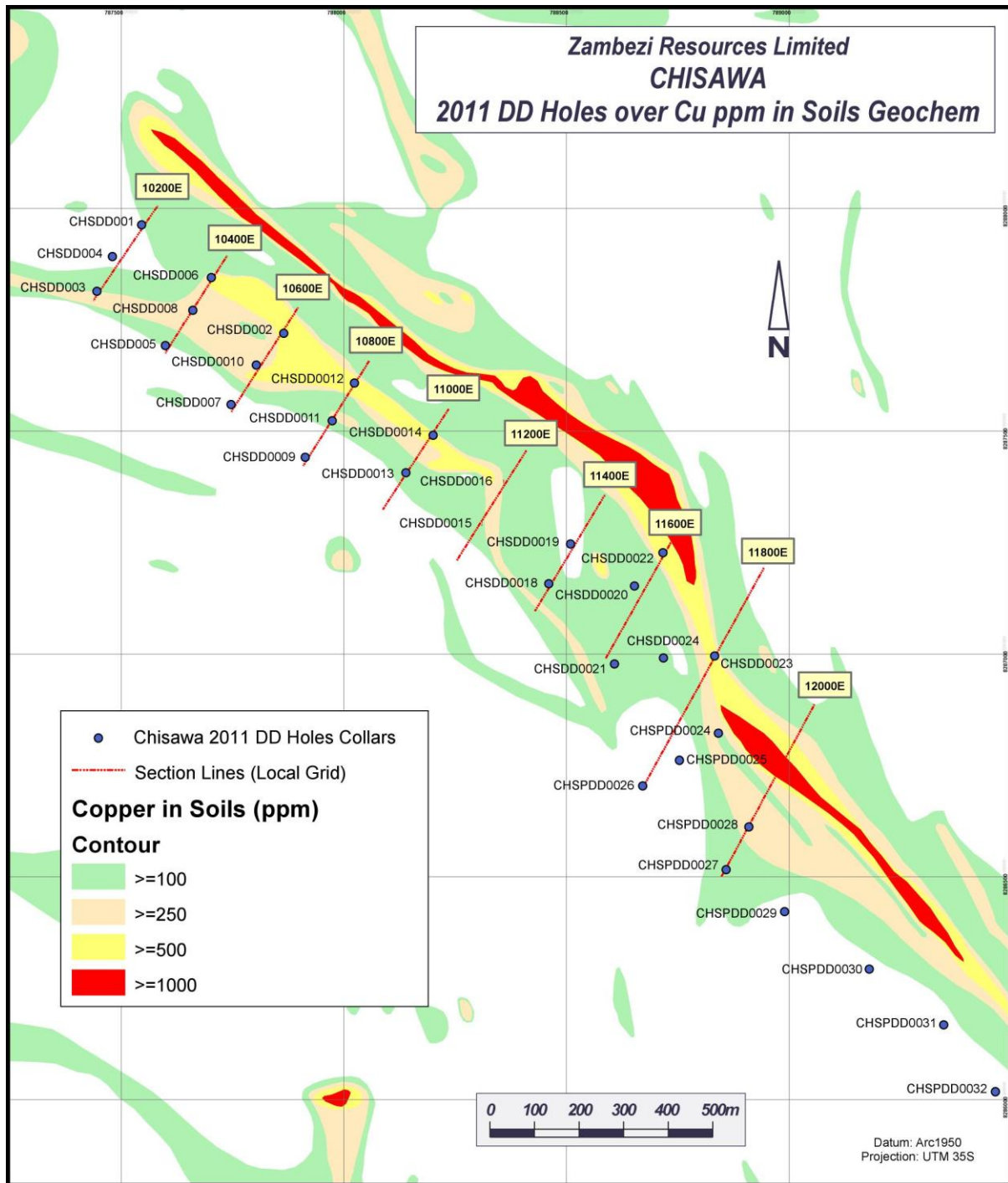


**FIGURE 6**

Assay results at Kalulu so far confirm the wider intersections normally associated with the hinge zone of folds, where low pressure zones are conducive to metal deposition. It is comforting to note that all 6 holes intercepted mineralisation at multiple depths suggesting several more ore chutes than previously interpreted.

## 2.0 Chisawa Prospect

A total of 5,063 m have been drilled at Chisawa or 25 DD holes from a total of 32 DD holes budgeted for a Phase I drilling program, across a 3 km mineralised zone. With collars designed at 200 m intervals, a 100 m x 100 m grid drill coverage will be realised when combined with existing RC drilling. The principal aim of this infill program is to increase mineral resource confidence and advance the resource classification, ideally to an Indicated category.



**FIGURE 4: MAP SHOWING PLANNED DRILLED HOLES AT CHISAWA**

Results received are from 5 DD holes drilling along sections 10200E, 10400E and 10600E, and significant intersections are indicated herewith.

**TABLE 2: CHISAWA PROSPECT – DD DRILLING ASSAY RESULTS**

Hole_ID	Easting	Northing	RL	EOH Depth	Inclination	Azimuth	From (m)	To (m)	Width (m)	Cu%	Intercept
CHSDD0001	8287961	787550	707	180.00	-50	42.5	145.00	152.00	7.00	1.14	7.0m @ 1.14% TCu
CHSDD0002	8287718	787872	702	123.80	-50	42.5	98.00	101.00	3.00	0.80	3.0m @ 0.80% TCu
CHSDD0003	8287814	787444	703	300.20	-50	42.5	250.00	255.00	5.00	0.72	5.0m @ 0.72% TCu
CHSDD0004	8287892	787482	692	251	-50	42.5	195	197	2.00	0.63	2.0m @ 0.63% TCu
CHSDD0005	8287690	787607	697	251	-50	40	219	223	4.00	0.87	2.0m @ 0.87% TCu
CHSDD0005	8287690	787607	697	251	-50	40	235	239	4.00	1.09	2.0m @ 1.09% TCu

**Note:** Intercepts were calculated @ 0.30%Cu minimum cut off downhole width.  
 Co-ordinate System Arc 1950 UTM Zone 355

Collectively, these assay results for Chisawa and Kalulu Prospects confirm the strike and down-dip extension of mineralisation as identified in previous assays of drilling samples.

### 3.0 Deep Hole DD Drilling

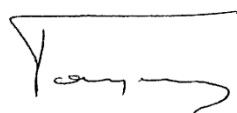
With Phase I of DD drilling at Kalulu executed, the 2 diamond rigs have started to drill 4 planned deep holes, totalling 2,000 m.

Some 7 holes remain to be drilled at Chisawa by one drill rig, while the second drill rig continues the 8 planned deep holes for 4,000 m at Kangaluwi. A further 8 deep holes for 4,000 m are planned for Chisawa.

#### Competent Persons Statement

*The information in this report that relates to Exploration Results and Mineral Resources 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.*

*The information in this announcement that relates to Exploration Results is based on information compiled by Geoffrey Booth, Consulting Geologist. Geoffrey Booth is employed as a consultant for Zambezi Resources and is also a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Geoffrey Booth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



**Zambezi Resources Limited**  
 Frank Vanspeybroeck  
 CEO