

POLICY FOR TRADING IN COMPANY SECURITIES

ZAMBEZI RESOURCES LTD ("COMPANY")

Directors, officers and employees¹ who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider trading is the practice of dealing in a company's securities (ie. shares or options) by a person with some connection with a company (eg. an employee) in possession of information generally not available to the public, but may be relevant to the value of the Company's securities. It may also include the passing on of this information to another. **Legally, insider trading is an offence which carries severe penalties, including imprisonment.**

In summary, directors, officers and employees of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (ie. shares or options) in the Company, or procure another person to do so:

1. if that directors, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities if the information was generally available;
2. if the director, officer or employee knows or ought reasonably to know, that:
 - (a) the information is not generally available; and
 - (b) if it were generally available, it might have a material effect on the price or value of the securities in the Company; and
3. without the written acknowledgement of the chairperson.

Further, directors, officers and employees must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the company secretary.

SUMMARY OF POLICY

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also provides that the written acknowledgement of the chairperson should be obtained prior to trading.

¹ In this policy references to directors, officers and employees includes all associates of the directors, officers and employees.