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Zambezi Resources provides Kangaluwi update

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Kangaluwi Copper Project Update

- First systematic drilling at the Chisawa Prospect of the 100% owned Kangaluwi Copper Project returns significant drill results
- RC drilling returns substantial mineralised widths and grades from surface including: 14m at 1.52% copper, 12m at 1.36% copper, and 10m at 1.23% copper
- Mineralisation remains open along strike and at depth
- 75% of the estimated total prospective strike length of the greater Kangaluwi project remains to be drill tested

Zambezi Resources Limited ("Zambezi" or the "Company") (AIM: ZRL; ASX:ZRL) today announces progress on its 100% owned Kangaluwi Copper Project

The 2008 drilling campaign has been underway since May with up to 6 rigs on site and to date, approximately 26,000 meters of drilling has been completed so far this season. Further encouragement has been received from the first systematic RC drilling ever conducted at the Chisawa Prospect, which is located 2.5km to the south east of Zambezi's flagship Kangaluwi Prospect

New RC drillhole intercepts from Chisawa include: 14m at 1.52% copper, 12m at 1.36% copper, 10m at 1.23% copper, and 14m at 0.65% (Table 1, Figs 1, 2 and 3). Further assays are awaited to confirm strong zones of visual mineralisation observed in drilling. The mineralised zone remains open down dip and along strike to the east and west.

Mineralisation at Chisawa consists of chalcopyrite, bornite, malachite, azurite and secondary chrysocolla in the oxide zone. The host sequence consists of sheared metasediments, metavolcanics and a late stage, conformable coarse grained felsic pegmatite. Mineralisation is hosted within strongly foliated garnet-quartz-biotite-muscovite schist and feldspar-quartz-muscovite-kyanite pegmatite. Mineralisation dips moderately to the south west at approximately 30-40° and occurs within the sheared southern limb of an overturned ESE-plunging regional synformal fold.

Initial drilling at Chisawa targeted surface malachite mineralisation coincident with a >250ppm copper in soils geochemical anomaly over a north west - south east trending strike length of 7.2km. The significant results reported here come from the core of this anomaly which consists of a 3.1km strike length at >1000ppm copper in soils. The soil geochemistry conforms to a mapped and interpreted lithological and structural corridor. A strong correlation between the >1000ppm Cu contour and higher grade copper mineralisation is evident in the RC drilling. Drill testing of this zone to date is via widely spaced drill sections with a nominal distance between sections of 200-400m.

The greater Kangaluwi project covers in excess of 28km of strike length (see Fig 1) and detailed drilling has tested only approximately 3.5km strike length to date at Kangaluwi. At the neighbouring Chisawa prospect, drilling has sparsely tested only approximately 3.5km strike length. 75% of the estimated total prospective strike length of the greater Kangaluwi project remains to be drill tested.

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Commenting on the announcement, Julian Ford, Managing Director of Zambezi Resources, said: "These excellent drill results from Chisawa over a 2km strike length confirm our opinion that the Kanguwi Copper Project has the potential to develop as a world-class copper asset and a company-making project. The first two project areas we have tested namely Kanguwi and Chisawa have both shown consistent mineralisation widths and grades at a favourable 30 to 40 degree angle of dip, with mineralisation starting at surface and defined down to a depth of at least 200 metres. We now have drill road access into most of the remaining priority target areas contained within the total strike length of 28km. To date only 25% of the surface-defined geochemical anomaly has been drill tested."

For more information contact:

Julian Ford, Managing Director

Jeremy Wrathall, Non-Executive Director

Zambezi Resources (Australia)

Zambezi Resources (London)

+61 (08) 9216 9000

Mob: +44 7712 776 100

+61 (0) 418 949 580

Fiona Owen

Simon Edwards / Adam Lloyd

Grant Thornton UK LLP

Evolution Securities Ltd

+44 20 7383 5100

+ 44 20 7071 4300

Nicholas Read / Kate Bell

Laurence Read / Graham Herring

Read Corporate

Threadneedle Communications

+61 (08) 9388 1474

+44 20 7653 9850

+61 (0) 419 929 046

ADDITIONAL INFORMATION

Zambezi is listed on London's AIM market and the Australian Securities Exchange (ASX & AIM Ticker: ZRL) and currently has two main projects, Cheowa and Kanguwi. Zambezi is one of Africa's most active exploration companies with a large, in-house, exploration execution capacity. The company is focused on discovering and developing large Copper-Gold projects in southern Zambia. At Kanguwi, which is 100% owned, Zambezi is conducting extensive exploration drilling, as the company believes that the Kanguwi project has the potential to be a world class open pit copper deposit. The 2007 drilling campaign initially focused on 3km of strike length at Kanguwi, which was later narrowed down to an 800m section drilled to a 50m by 50m pattern. The company chose to intensively drill a small area in order to evaluate the possible economic potential of the mineralisation. Due to the encouraging results from this drilling the company has decided that the mineralisation has sufficient potential to justify a much more extensive drilling program at Kanguwi and on the remaining five zones identified. The company also has entered into two Uranium Joint Ventures on approximately 50% of its tenement area, one with Rio Tinto and the other with Lithic Metals and Energy.

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The information in this report that relates to Exploration Results is based on information compiled by Exploration Director Geoffrey Johnson BSc (Hons), PhD, Grad Dip Env Sc. and General Manager Exploration Mr Jay Klopper BSc (Hons). Dr Johnson is a full-time employee of Zambezi Resources, and a Fellow of both the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Klopper is a full-time employee of Zambezi Resources, and a Member of the Australian Institute of Geoscientists. Dr Johnson and Mr Klopper both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Johnson and Mr Klopper both consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.