

23 June 2009

[Address]
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Dear Holder,

Delisting from the AIM

Zambezi Resources Limited ("Zambezi") provided notice to the Alternative Investment Market of the London Stock Exchange Plc ("AIM") on 29 May 2009 that it intended to delist. Notwithstanding that the ordinary shares were suspended from trading on AIM on 3rd November 2008 the stock was delisted effective 1 June 2009.

Background

This decision has been made following a review of the Company's AIM listing by the Board and discussions with its advisers. Given the relatively low volume of trading in shares on AIM, the Board concluded that the additional regulatory compliance burden coupled with the costs involved in maintaining a secondary listing on AIM exceed the benefits obtained from the listing. On this basis, the Board considered it in the best interests of the Company to cancel its shares from trading on AIM or in fact, the resumption of trading on AIM.

Zambezi will continue to maintain its primary listing on the Australian Securities Exchange ("ASX") and shareholders wishing to trade the Company's shares after the proposed readmission to the ASX will be able to do so through the ASX. The Company is planning to request readmission to trading on ASX during the week ending 26 June 2009.

Cancellation of Depositary Interests

If you hold your interest in Zambezi by way of a Depositary Interest ("DI"), you will have received together with this letter, notice of an amendment to the terms of the Deed Poll governing the DI's held on CREST. Once the required notice periods have elapsed, your DI will be cancelled and a holding statement will be issued to you in respect of your issuer sponsored holding on the Australian share register which is maintained by the Company's registrar, Computershare.

The cancellation of the DI and the recording of your holding on the Australian share register will occur automatically and you will not be required to take any action. It is currently expected that the effective date of this process will be 7th August 2009. Should you wish to trade your shares in the Company after the Cancellation Date, but prior to receiving your holding statement, you should contact your broker who will be happy to assist you.

The holding statement issued to you will represent your entire interest in the Company and should be kept in a safe place. The statement will be evidence of your shareholding on the ASX register and it may be required to support any future transfer or sale request.

Transfer of Certificated Holders' Interests on the Cancellation Date

If you hold a certificated interest in Zambezi on the UK share register, your shareholding interest will be transferred following the Cancellation Date to the Australian based share register which is maintained on behalf of Zambezi by Computershare. This transfer will occur automatically and you will not be required to take any action.

The holding statement issued to you will represent your entire interest in the Company and should be kept in a safe place. The statement will be evidence of your shareholding on the ASX register and it may be required to support any future transfer or sale request.

Trading on ASX following the Cancellation Date

Following the Cancellation Date, you will only be able to trade your Zambezi shares on the ASX. Broadly, you will be able to trade shares in a similar manner as for AIM listed companies; that is, by liaising with your broker. The steps that you will need to take in order to trade your shares on the ASX are as follows:

1. Receive a holding statement from Zambezi's share registrar, Computershare.
2. Contact an Australian or UK broker. Many UK brokers are likely to have a relationship with a broker in Australia who can facilitate trading on the ASX. UK broker, WH Ireland Group Plc and their affiliate Australian broker, D.J. Carmichael & Co., have entered into an arrangement with Zambezi to assist shareholders to trade their Zambezi shares on the ASX. Please note that trading your shares with either broker will be subject to normal account opening requirements. If necessary, establish an account with a broker and follow the steps outlined by them.
3. Provide the original holding statement to the broker along with any other documents requested by the broker.
4. Then, the broker will place the order on your behalf. Once the trade is affected, settlement of the trade will take place.

Contact details for WH Ireland Plc and DJ Carmichael & Co. are as follows:

WH Ireland Plc
5th Floor
24 Martin Lane
London EC4R 0DR

DJ Carmichael & Co.
Level 3, London House
216 St Georges Terrace
Perth WA 6000

Contact: Mr John Molynuex
(+44) (0) 207 220 1666

Contact: Paul Covich
(+61) (8) 9263 5257

For those not familiar with the Australian securities system, public information on the Company can be accessed through www.asx.com.au, an independent website on which all regulatory filings must be made.

If you have any queries in relation to the delisting or the matters discussed above, please do not hesitate to contact the Company's registrars, Computershare, on (+44) (0) 870 702 0003

Yours faithfully
ZAMBEZI RESOURCES LIMITED

Julian Ford
Managing Director