



ASX Announcement

7 April 2010

## Zambezi Signs MOU for Major Mineral Deposit

Zambezi Resources Limited (Zambezi) is pleased to announce that it has signed a legally binding Memorandum of Understanding (“MOU”) with Rephidim Mining and Technical Supplies of Zambia (Rephidim). Rephidim owns several substantial tonnage rock dumps consisting largely of oxide copper mineralisation in the Chingola area of the renowned Zambian Copper Belt. Historically the early copper operations only treated copper sulphide ores and discarded the copper oxide material to rock dumps. Due to the high grade of the Zambian Copper Belt deposits mined in the past, it was not uncommon for material grading as much as 2% Cu or more to be discarded in favour of higher grade ore.

Zambezi will shortly commence a due diligence process, which is expected to take a maximum of 6 months to complete. During this period the Company will determine the actual tonnages and grades of the dumps which are currently estimated by Rephidim to contain a considerable tonnage of oxide grading up to 2% Cu, based on historical production figures and stockpile build data.

If the estimates, copper grade and heap leach amenability characteristics of the material are confirmed by the evaluation work, Zambezi envisages the development of a copper heap leach operation which has the potential to produce significant amounts of pure copper cathode utilising solvent extraction and electrowinning technology.

### Summary of Terms

Project Area: Mineralised Dump Project (OB18) covered by Mining License SML340 under the Zambian Mines and Minerals Development Act No.7 of 2008; and Mineralised Dumps SP11 and OB7, collectively defined as the “Project”. Rephidim has supplied Zambezi certain technical data as to estimated tonnage and copper content of the rock dumps.

Commercial Terms: Zambezi paid a non-refundable deposit of US\$150,000 to Rephidim on execution of the MOU. In the event



ARBN 124 462 826

**Bermuda:**

Canon's Court  
22 Victoria Street  
Hamilton HM12

**Australia:**

17 Ord Street  
West Perth  
PO Box 1796 WA 6872  
Tel: (+61-8) 9216 9000  
Fax: (+61-8) 9216 9090

**Zambia:**

Mwembeshi Resources Limited  
Plot 5777N  
Great East Road  
Kalundu  
Lusaka

**Stock Exchange Listing:**

ASX: ZRL

**Directors:**

Non-Executive Chairman:  
Brian Rear  
Non Executive Directors:  
Simon F Durack  
David Vilensky  
Richard Procter

Zambezi wishes to proceed with the project and undertakes a feasibility study into the proposed copper project, after completing

the due diligence process noted above, Zambezi will pay Rephidim a further US\$500,000. In the event Zambezi considers the Project to be commercially viable (solely at its discretion) on completion of the feasibility study, then Zambezi will pay Rephidim a further US\$4 million. In the event a commercial production operation is developed Zambezi will pay a royalty for each tonne of ore treated.

This transaction is consistent with Zambezi's current strategy of focussing on copper opportunities in Zambia where it has built up substantial industry contacts and an understanding of the local environment over the past number of years.

In addition, Zambezi has entered into a short term loan facility of \$1million with LinQ Capital Limited as responsible entity for the LinQ Resources Fund for a period of 15 months at a coupon of 10%. The facility is for working capital purposes.

**For Further Information please contact:**

Brian Rear Non-Executive  
Chairman  
Zambezi Resources Limited  
+ 61 (08) 9216 9000



**ZAMBEZI**  
RESOURCES

**ARBN 124 462 826**

**Bermuda:**

Canon's Court  
22 Victoria Street  
Hamilton HM12

**Australia:**

17 Ord Street  
West Perth  
PO Box 1796 WA 6872  
Tel: (+61-8) 9216 9000  
Fax: (+61-8) 9216 9090

**Zambia:**

Mwembeshi Resources Limited  
Plot 5777N  
Great East Road  
Kalundu  
Lusaka

**Stock Exchange Listing:**

ASX: ZRL

**Directors:**

Non-Executive Chairman:  
Brian Rear  
Non Executive Directors:  
Simon F Durack  
David Vilensky  
Richard Procter