



ASX Announcement

15 July 2010

Zambezi completes drilling programme as part of the due diligence process at the Chingola copper dumps project in Zambia

- RC drilling and surveying of copper mineralized rock dumps at Chingola completed
- Visual evidence of copper oxides and sulphides mineralisation
- Total of 1864 m drilled and sampled
- Prepared samples being transported to Australia for assay
- Proceeding towards decision point regarding project acquisition and the feasibility studies into SX – EW copper cathode operation

In April 2010, Zambezi announced it had entered into an Agreement with a Zambian company, Rephidim Mining and Technical Services over several substantial tonnage copper mineralized rock dumps at Chingola, Zambia. Copper has been mined at Nchanga in Chingola since the 1930s and continues to this day at one of the world's largest open pits.

As part of Zambezi's due diligence on the project, a work programme that involved a regular grid pattern of RC drilling was conducted on all three rock dumps using a tracked rig. The drilling has been carried out to define the resource inventory on the three large rock dumps situated adjacent to Nchanga Copper Mine. The rock dumps were created at the time of mining operations at the Luano and Mimbula Open Pits, which were both high grade copper deposits. The dumps have already been surveyed as part of the process of accurately determining their volume and tonnage.

The largest rock dump at Luano, OB18, comprises mineralized overburden of the Lower Roan Group sediments which comprise mineralized arkose sandstones, grits and schists. Given the synclinal nature of the ore bodies that were stripped, and the pervasive nature of the copper mineralisation throughout the stratigraphy, there is extensive oxide copper mineralization in the overburden dump. Visual inspection of the rocks comprising the dump confirms the presence of copper oxide minerals including extensive malachite as the dominant copper mineral and chalcocite as the sulphide copper mineral.

The Mimbula open pit was mined from 1967 according to the Zambian Ministry of Mines. The rock dumps SP11 and OB07 comprise stockpile and mineralized overburden material respectively from the Luano pit which was



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mined from the Upper Roan Group. These dumps are well mineralized with visibly more copper mineralization than OB18. The copper mineralization is chalcocite and bornite hosted in quartzites.

The drilling programme comprised 35 RC holes on OB18, 11 holes on SP11 and 14 holes on OB07 for a total of 1864 m to date. Holes were drilled from the surface of the dumps to the underlying ground surface. The holes were laid out on a 150 m x 150 m pattern, with a final 8 holes drilled at 50 m intervals to provide sufficient coverage for estimation of the tonnage of contained copper. The assay samples are being transported to South Africa for sample preparation and the pulps will be shipped to Australia for assay. The assays will include those for acid soluble copper. All assay results are expected to be available by end August 2010.

Once Zambezi has received all the results relating to copper grade and estimated tonnage of contained copper, and has conducted an evaluation of the data it will make a decision regarding proceeding with the project and conducting a feasibility study, including metallurgical test work for an SX – EW copper cathode operation.

Commenting on the recent site visit David Russell, Zambezi's new CEO, commented that he was "extremely encouraged at the rate of progress of the due diligence process and looked forward to evaluating the project once the assay result were in. The actual dumps are imposing and contain significant tonnages of rock with visible copper mineralization".

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