

ZARUMA RESOURCES INC. (\$0.24; ZMR: TSX)

Recommendation: Speculative Buy (Unchanged)
Target Price: 1-Year: \$0.70 (Unchanged);
3-Year: \$1.65 (Unchanged)

RECENT DEVELOPMENT: ASSAY RESULTS FROM LUZ DEL COBRE

Zaruma Resources Inc. has reported that results from drilling in the vicinity of Luz del Cobre, at the Company's San Antonio project in Sonora, Mexico continue to expand the copper mineralization of the Luz del Cobre orebody.

The first phase of the drill program was completed in the Trion-Luz del Cobre area in December 2007, with positive results at the southwest end of the Luz del Cobre orebody and a new discovery – Calvario (about 200 metres to the northwest).

A second phase of drilling - to better define mineralization of the two areas - began in January 2008, and was completed on February 28. A total of 2,996 metres were drilled, with seven holes at the southwest end of Luz del Cobre and 22 holes at Calvario.

These results indicate mineralization continues along a north-south fault-bounded block from the southwest end of Luz del Cobre. It remains open to the south, at the end of which there could be potentially mineable copper mineralization over a width of about 100 metres.

At Calvario, results from the first four holes of the second phase of work suggest that Calvario has the potential to add to the Luz del Cobre mineable resources. It is also possible that the mineralization from Calvario could join with that at Luz del Cobre.

Results from the remainder of the drill holes from Calvario are expected soon. If encouraging, a revised resource estimate for Luz del Cobre could be undertaken before the middle of the year. The anticipated higher reserves are expected to increase the economic life of the mine from five years to six. Annual production at the Luz del Cobre plant, now under construction and scheduled for start-up in 2009, is planned at 15 million pounds of cathode copper.

The Company's current drilling program is now complete and will not be re-started until the fall of 2008. The program is then anticipated to centre on the San Antonio property's exploration targets.

THE COMPANY

Zaruma, based in Toronto, Canada is an advanced-stage exploration company with copper and gold properties in Mexico and a gold property in Venezuela. The copper project is nearing production (January 2009). Zaruma is managed by a team of mining professionals with international experience.

RECOMMENDATION

We are confirming our Speculative Buy Recommendation and Target Prices of \$0.70 (1-Year) and \$1.65 (3-Year), as set out in our Initiating Report on Zaruma (published February 27, 2008).

RATINGS HISTORY

Date	Report Type	Recommendation	Stock Price	Target Price
Feb. 27, 2008	Initiating	Speculative Buy	\$0.19	\$0.70 (1-Year) \$1.65 (3-Year)
Mar. 25, 2008	Bulletin	Unchanged	\$0.24	Unchanged

High-Low Since Initiating: \$0.285-\$0.19.

NOTE: eResearch reports on Zaruma Resources and other companies are available FREE on our website at www.eresearch.ca.

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