

**Form 603**

Corporations Act 2001

Section 671B

**Notice of initial substantial holder**To Company Name/Scheme **Zambezi Resources Ltd ("Zambezi")**ACN/ARSN **ACN 107 673 174****1. Details of substantial holder (1)**Name **Copperco Limited and each of the companies listed in Annexure "A" (together "CopperCo")**ACN/ARSN (if applicable) **ACN 004 434 904**The holder became a substantial holder on **04/08/08****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| <b>Ordinary Shares</b>  | <b>9,905,000</b>     | <b>9,905,000</b>   | <b>5.26%</b>     |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7)                                                                                                                                                                                                | Class and number of securities   |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <b>CopperCo</b>             | <b>Acquisition of a relevant interest (under s.608(1) and 608(3) of the Corporations Act) in ordinary shares in Zambezi arising upon CopperCo's takeover offer of Mineral Securities Limited being declared unconditional.</b> | <b>9,905,000 ordinary shares</b> |

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities          | Person entitled to be registered as holder (8) | Class and number of securities   |
|-----------------------------|------------------------------------------|------------------------------------------------|----------------------------------|
| <b>CopperCo</b>             | <b>Mineral Securities Operations Ltd</b> | <b>Mineral Securities Operations Ltd</b>       | <b>9,905,000 ordinary shares</b> |

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) |                                                                        | Class and number of securities |
|-----------------------------|---------------------|-------------------|------------------------------------------------------------------------|--------------------------------|
|                             |                     | Cash              | Non-cash                                                               |                                |
| <b>CopperCo</b>             | <b>04/08/08</b>     | <b>N.A.</b>       | <b>Consideration payable on the terms of CopperCo's takeover offer</b> | <b>9,905,000</b>               |

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association                                                                                                                                                                   |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Refer to Annexure A</b>        | <b>Members of the CopperCo group of companies are associates of CopperCo Limited and each other pursuant to sections 12(2)(a)(i), (ii) or (iii) of the Corporations Act 2001 (Cth).</b> |

**7. Addresses**

The addresses of persons named in this form are as follows:

| Name                                 | Address                                                                 |
|--------------------------------------|-------------------------------------------------------------------------|
| <b>CopperCo and its subsidiaries</b> | <b>Level 22, Allendale Square, 77 St Georges Terrace, Perth WA 6000</b> |

**Signature**

print name

**Phillip Hartog**

capacity

Company Secretary

sign here



date

07/08/2008

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure "A" to ASIC Form 603**

This is Annexure "A" of 1 page referred to in ASIC Form 603– Notice of initial substantial holder.

Dated this 7<sup>th</sup> day of August 2008



Phillip Hartog  
Company Secretary  
CopperCo Limited

1. Substantial holders

The following persons are substantial holders by virtue of being associates of CopperCo Limited, pursuant to sections 12(2)(a)(i), (ii) or (iii) of the Corporations Act 2001 (Cth).

| ACN/Company No. | Company Name                                       | Country of Incorporation |
|-----------------|----------------------------------------------------|--------------------------|
| 120 883 285     | CopperCo Queensland Operations Pty Ltd             | Australia                |
| 079 361 407     | CopperCo Minerals Pty Ltd                          | Australia                |
| 077 507 521     | Millenium Minerals (Operations) Pty Ltd            | Australia                |
| 009 398 725     | Copperwell Pty Ltd                                 | Australia                |
| 073 222 045     | Lady Annie Pty Ltd                                 | Australia                |
| 076 289 097     | Lady Annie Operations Pty Ltd                      | Australia                |
| 096 358 735     | Savannah Resources Pty Ltd                         | Australia                |
| 1390447         | Mineral Securities Limited                         | British Virgin Islands   |
| 125 112 325     | Mineral Securities Investments (Australia) Pty Ltd | Australia                |
| 091 158 593     | Mineral Securities Operations Limited              | Australia                |
| 092 525 614     | Mineral Securities Holdings Pty Ltd                | Australia                |
| 117 927 965     | Platmin Holdings Pty Ltd                           | Australia                |
| 109 470 644     | Mineral Securities (China) Pty Ltd                 | Australia                |
| 111 364 562     | Mineral Securities (NK) Pty Ltd                    | Australia                |
| 097 479 420     | Allied Mining Pty Ltd                              | Australia                |
| 097 126 773     | Goodwest Investments Pty Ltd                       | Australia                |
| 095 682 643     | Austalian Ferroalloys Pty Ltd                      | Australia                |
| 125 939 291     | Australis Exploration Pty Ltd                      | Australia                |
| 009 633 096     | Kadina Pty Limited                                 | Australia                |
| 119 248 243     | Scarborough Minerals (Australia) Pty Ltd           | Australia                |
| 000 741 373     | Buka Minerals Pty Limited                          | Australia                |
| 064 048 497     | Buka Minerals (Lady Loretta No.2)                  | Australia                |
| 009 280 086     | Manor Resources NL                                 | Australia                |
| 008 744 714     | Scarborough NL                                     | Australia                |
| 009 173 880     | Danae Resources Pty Limited                        | Australia                |
| 077 189 096     | Buka Technologies Pty Ltd                          | Australia                |
| 925294          | Mineral Securities Hong Kong (NK) Limited          | Hong Kong                |
| 943579          | Mineral Securities Golden Sea Limited              | Hong Kong                |
| 669079          | Cuesta Resources (BVI) Limited                     | British Virgin Islands   |
| 669078          | Algarrobo Holdings (BVI) Limited                   | British Virgin Islands   |
| 1390446         | Minsec Investments (BVI) Limited                   | British Virgin Islands   |
|                 | Minsec Investment Holdings (BVI) Limited           | British Virgin Islands   |
|                 | Scarborough Minerals plc                           | England                  |
|                 | Andalucla Mineral Services Limited                 | England                  |
|                 | Sierra Minerals Limited                            | England                  |
|                 | Sierra Explorations SA                             | Chile                    |
|                 | Thrace Investments BV                              | Netherlands              |
|                 | Kyprou Gold Limited                                | England                  |
|                 | Thrace Minerals Helas SA                           | Greece                   |
|                 | Greenwich Resources (Czech Republic)               | Czech Republic           |
|                 | Scarborough Minerals (Finance) Limited             | England                  |
|                 | Scarborough Minerals Overseas Holdings Limited     | England                  |
|                 | Scarborough Minerals International BV              | Netherlands              |
|                 | SM Corporate Secretary Limited                     | England                  |
|                 | SM Corporate Director Limited                      | England                  |
|                 | Multiplex Development Zarmitan Limited             | England                  |
| 112 731 638     | Buka Gold Limited                                  | Australia                |