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30 June 2008

Manager Company Announcements
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000
(By electronic lodgement)

Dear Sir

RELEASE OF TAKEOVER DOCUMENTS

CopperCo Limited ("CopperCo") today lodged with the Australian Securities and Investments Commission the attached Australian Prospectus (which incorporates a UK Prospectus Equivalent Document). This Prospectus and the Offer Document, which is also attached, contain details of the recommended takeover offer ("Offer") by CopperCo for all of the shares in Mineral Securities Limited ("MinSec"), together with the required statutory disclosures.

Under the Offer, accepting MinSec shareholders will receive 2.2 CopperCo shares for each MinSec share they hold.

The Offer for MinSec, if successful, will provide CopperCo with access to a portfolio of quality mining assets, increased commodity diversification and greater scale and equity market presence.

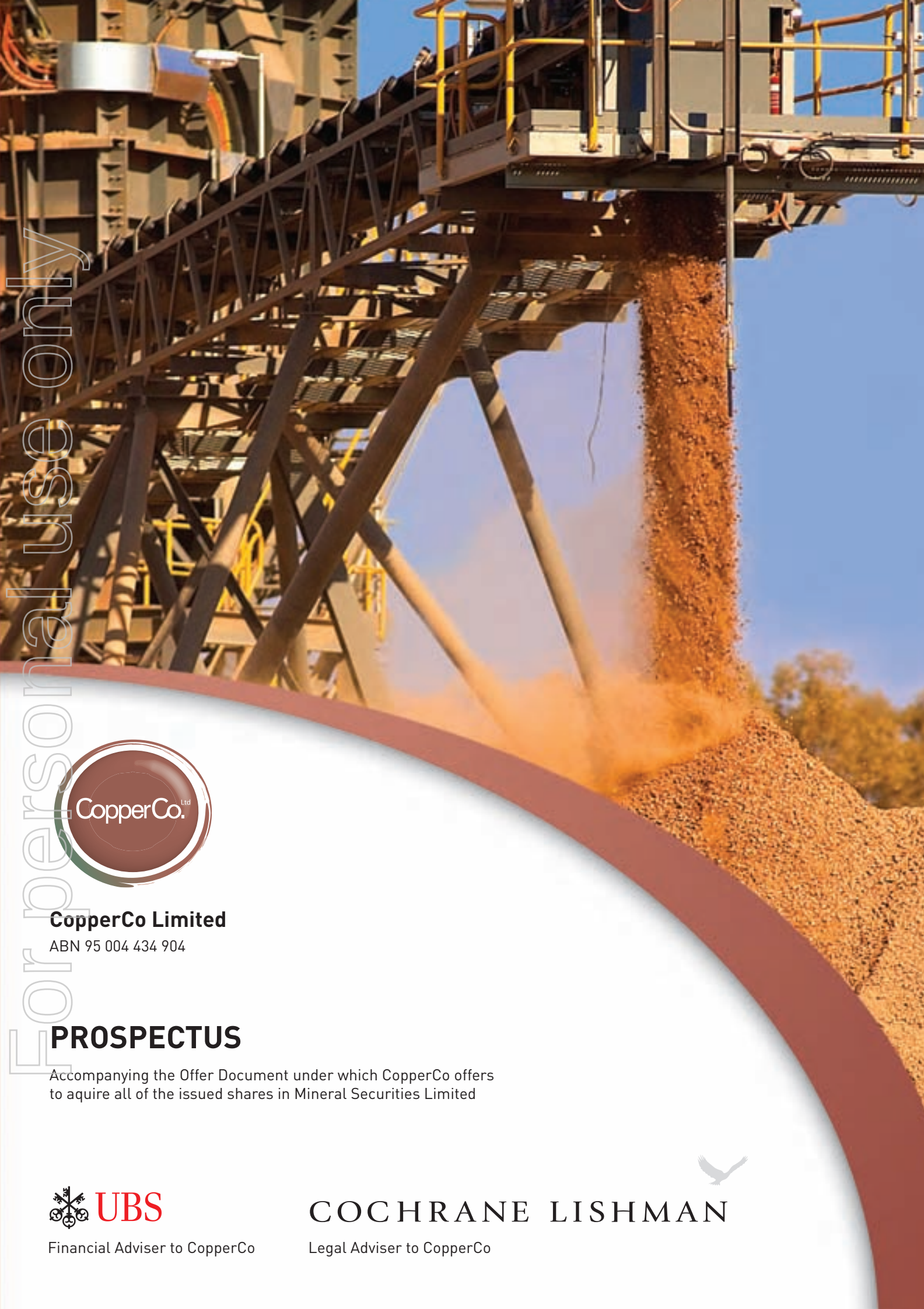
Brian Rear, the Managing Director of CopperCo said "we are pleased to have passed another milestone in this transaction which we believe will secure CopperCo's future as a diversified resources company."

Despatch of the takeover documents to MinSec shareholders will be completed by the end of the week.

For additional information please contact:

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CopperCo Limited
ABN 95 004 434 904

PROSPECTUS

Accompanying the Offer Document under which CopperCo offers to aquire all of the issued shares in Mineral Securities Limited

UBS
Financial Adviser to CopperCo

COCHRANE LISHMAN
Legal Adviser to CopperCo

Purpose of this Document

This Prospectus accompanies the Offer Document under which CopperCo offers to acquire all of the issued Minsec Shares (other than the Minsec Treasury Shares), including Minsec Shares underlying CDIs.

This Prospectus is not a fundraising document. This Prospectus is issued because the consideration for the Offer is CopperCo Shares. The Offer is made on the basis that 2.2 CopperCo Shares would be issued to each accepting Minsec Shareholder for every Minsec Share taken up under the Offer.

Minsec is a corporation incorporated under the laws of the British Virgin Islands.

This Prospectus (which attaches the comprehensive prospectus equivalent document prepared for, among others, UK resident holders of Minsec Shares) provides Australian and New Zealand resident holders of Minsec Shares and CDIs with the additional information required by the Corporations Act. The UK prospectus equivalent document is incorporated into, and forms part of, this Prospectus.

The CopperCo Shares being offered under this Prospectus are being offered to New Zealand resident Minsec Shareholders in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Prospectus is not, and does not relate to, an offer of shares in any place in which, or to any person to whom, it would not be lawful to make an offer of shares - see paragraph 1.3 below.

Important information

This Prospectus is dated 30 June 2008 and was lodged with ASIC on that date. None of ASIC, the ASX or their respective officers take responsibility for the contents of this Prospectus.

No securities will be allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus and the Offer Document together contain important information for you and require your immediate attention. The Prospectus and the Offer Document should be read in their entirety. If you have any questions as to their contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

No application monies are payable for the issue of CopperCo Shares. Accepting Minsec Shareholders resident in Australia or New Zealand should follow the instructions in paragraph 15 of the letter from the Independent Directors of CopperCo in Part II of the Offer Document. Accepting Minsec Shareholders who hold CDIs should complete the CDI Acceptance Form that accompanies the Offer Document and follow the instructions on the CDI Acceptance Form and in paragraph 15 of the letter from the Independent Directors of CopperCo (in Part II of the Offer Document). Accepting Minsec Shareholders who hold Minsec Shares in certificated form should complete the Form of Acceptance that accompanies the Offer Document and follow the instructions on the Form of Acceptance and in paragraph 15 of the letter from the Independent Directors of CopperCo (in Part II of the Offer Document).

Any forward looking statements in this Prospectus are based on CopperCo's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside of the control of CopperCo and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Prospectus.

Definitions

Defined terms and abbreviations used in this Prospectus are explained in the Glossary set out in Section 7 of this Prospectus. A reference to time in this Prospectus is to Australian Western Standard Time (AWST), unless otherwise stated.

Enquiries

If you have any questions regarding the Offer or how to complete a Form of Acceptance or CDI Acceptance Form, please call the shareholder helpline between 9.00am and 3.00am (AEST) on 1800 656 506 (from within Australia) or + 612 9207 3783 (from outside Australia).

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1. Introductory information

1.1 Why this Prospectus has been sent to you

CopperCo is offering to acquire all of your Minsec Shares (including Minsec Shares underlying CDIs). The consideration for the Offer is the issue of CopperCo Shares. Accordingly, for those Offers that are received in Australia or New Zealand, it is necessary for an Australian prospectus to accompany the Offer Document. This Prospectus has been prepared in accordance with section 713 of the Corporations Act.

This Prospectus attaches (and incorporates) the comprehensive UK prospectus equivalent document (prepared for, among others, UK resident Minsec Shareholders). This Prospectus also accompanies the Offer Document.

1.2 Summary of principal dates

Event	Date
Record date for determining whether a Minsec Shareholder is an Unmarketable Parcel Holder of Minsec Shares)	26 June 2008
Prospectus and Offer Document lodged with ASIC	30 June 2008
Prospectus and Offer Document sent to Australian and New Zealand resident Minsec Shareholders	3 July 2008
First closing date of the Offer	1 August 2008
Earliest date Offer can close for acceptances	15 August 2008[1]
Latest date the Offer can become unconditional as to acceptances	1 September 2008
Latest date by which all Offer Conditions must be satisfied	22 September 2008[2]
Latest date consideration Shares can be dispatched	6 October 2008[3]
Latest date cash consideration (for Unmarketable Parcel Holders who make the cash election) can be dispatched	15 November 2008[4]

The above indicative dates have been determined in accordance with the City Code and are subject to change. All dates are based on London time. CopperCo reserves the right to adjust this indicative timetable subject to the Corporations Act, the Listing Rules, the City Code and any other applicable laws. In particular, CopperCo may extend the period during which the Offer is open for acceptances in certain circumstances. Further information in this regard is set out in Part IV, section B (the further terms of the Offer) on page 179 of the attached UK prospectus equivalent document.

1.3 Distribution

This Prospectus has been sent to Australian and New Zealand resident holders of Minsec Shares and CDIs. This Prospectus attaches the comprehensive UK prospectus equivalent document which has been prepared in accordance with the Prospectus Directive (and which is being sent to all eligible Minsec Shareholders).

This Prospectus accompanies the Offer Document pursuant to which CopperCo offers to acquire all of the issued Minsec Shares (other than the Minsec Treasury Shares), including Minsec Shares underlying CDIs. The Offer is made on the basis that 2.2 CopperCo Shares will be issued to each accepting Minsec Shareholder for every Minsec Share held by them.

This Prospectus does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, or on behalf of, shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction (including any Restricted Jurisdiction). However, CopperCo or its agents may, in the sole discretion of CopperCo, take such action as CopperCo may deem necessary to extend the Offer to shareholders in such jurisdiction(s).

[1]Assumes that the Offer is declared unconditional as to acceptances following the first closing date of the Offer.
[2]Assumes that the Offer is declared unconditional as to acceptances on the latest possible date.
[3]Assumes that the Offer is declared wholly unconditional on the latest possible date and receipt of an acceptance complete in all respects.
[4]Assumes that the Offer is declared wholly unconditional on the latest possible date, receipt of an acceptance complete in all respects and the new CopperCo Shares being issued to the CopperCo nominee on the latest date new CopperCo Shares can be dispatched.

The distribution of this Prospectus in jurisdictions other than Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the new CopperCo Shares to be issued in connection with the Offer have not been, and will not be, registered under the Securities Act or under the securities laws of any state, district or other jurisdiction of the United States. The new CopperCo Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration under the Securities Act or an exemption from the registration requirements. The Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who also agree to resell such securities only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act. Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the new CopperCo Shares or passed an opinion on the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

1.4 CDIs

Minsec is a company incorporated under the laws of the BVI.

Minsec has issued CHESS Depositary Interests (CDIs), which are financial products listed on the ASX. CDIs confer a beneficial interest in the underlying Minsec Shares to which they relate. It is anticipated that most or all of the Minsec Shareholders who receive the Offer in Australia or New Zealand will be holders of CDIs. This Prospectus will accompany the copy of the Offer Document that is issued to each Minsec Shareholder who receives the Offer in Australia or New Zealand.

1.5 Compulsory acquisition or redemption

Where necessary, this Prospectus will also accompany any other offer that may be made to issue CopperCo Shares in connection with the acquisition or redemption of Minsec Shares or CDIs where that offer is received in Australia (or New Zealand) within 13 months after the date of issue of this Prospectus. Such offers may arise from a compulsory acquisition transaction. Where CopperCo acquires less than 100% of Minsec Shares, it intends to take all necessary actions to acquire compulsorily or have redeemed the remaining Minsec Shares on substantially the same terms as those offered under the Offer. There are various methods under the laws of the British Virgin Islands by which CopperCo may obtain 100% of the issued and outstanding Minsec Shares. These include mandatory redemption under section 176 of the BVI Business Companies Act, 2004 (Virgin Islands) (BVI Act); an arrangement pursuant to section 177 of the BVI Act; or a merger or consolidation pursuant to section 170 of the BVI Act. The timing and details of any such subsequent acquisition transaction will depend on a number of factors including the number of Minsec Shares acquired by CopperCo pursuant to the Offer. While CopperCo currently intends the consideration offered under any subsequent acquisition transaction to be the same as the consideration offered under the Offer, the consideration offered could ultimately be lower or higher. Further information is set out at section 7.8 of Part 1 on page 24 of the attached UK prospectus equivalent document.

1.6 Warning

Minsec Shareholders are responsible for determining their allotment of new CopperCo Shares before trading in them. If you trade your CopperCo Shares before receiving confirmation of your allocation of CopperCo Shares (and the receipt by you of such shares), you do so at your own risk.

2. Details of the Offer

2.1 The Offer

CopperCo announced to the ASX (jointly with Minsec) on 29 January 2008 that it intended to make a recommended offer to acquire all of the Minsec Shares on the basis of 2.2 new CopperCo Shares for each Minsec Share.

The Offer Document (which accompanies this Prospectus) contains that offer. The Offer and its terms are also discussed in Part IV (see pages 175 to 199) of the attached UK prospectus equivalent document.

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Based on the closing price of CopperCo Shares on 20 June 2008[5] of A$0.60[6]:

- the Offer values each Minsec Share at A$1.32 which equates to a premium of approximately 13.8% to A$1.16 (being the price at which Minsec Shares last traded on the ASX on 20 June 2008); and

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$208 million which, when added to the value attributable on the same basis to the CopperCo Shares to be issued to the Minsec Optionholders and in respect of the Minsec LTIP (see paragraphs 2.2 to 2.4 below), gives Minsec a value of approximately A$222 million.

Based on the closing price of CopperCo Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$0.65:

- the Offer values each Minsec Share at A$1.43 which equates to a premium of approximately 2.1% to A$1.40 (being the price at which Minsec Shares last traded on the ASX on 25 January 2008); and

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$225 million which, when added to the value attributable on the same basis to the CopperCo Shares to be issued to the Minsec Optionholders and in respect of the Minsec LTIP (see paragraphs 2.2 to 2.4 below), gives Minsec a value of approximately A$241 million.

As at the date of this Prospectus, the undiluted share capital of CopperCo was 506,708,866 CopperCo Shares.[7] Full acceptance of the Offer will result in the issue of up to 359,611,498 CopperCo Shares[8] to Minsec Shareholders. CopperCo Shares may also be issued to holders of other securities issued by Minsec. See paragraph 2.2 below which outlines arrangements by which a further 10,751,016 CopperCo Shares may be issued to Minsec Optionholders.

CopperCo Shares are currently quoted on the ASX and an application will be made to the ASX for the quotation of the new CopperCo Shares within 7 days of the date of this Prospectus. CopperCo Shares to be issued to accepting Minsec Shareholders will, when issued, be fully paid and rank pari passu in all respects with existing CopperCo Shares. CopperCo is not listed on AIM or any other securities exchange.

Fractional entitlements to new CopperCo Shares will not be allotted or issued pursuant to the Offer and will be rounded down to the nearest whole number.

The Offer will initially remain open for acceptance until 10:00am (London time) on 1 August 2008, but may be extended in accordance with the terms set out or referred to in the Offer Document. The Offer Document (accompanied by the Form of Acceptance (for holders of Minsec Shares in certificated form) or the CDI Acceptance Form (for holders of CDIs) as relevant) accompanies this document.

2.2 Minsec Options

CopperCo and Minsec have entered into separate agreements (the "Option Arrangements") with each of the Minsec Optionholders to issue CopperCo Shares in consideration for the cancellation and release of their Minsec Options. Those agreements are subject to conditions including that the Offer is declared unconditional in all respects and that CopperCo holds or has received valid acceptances under the Offer in respect of at least 80% of Minsec Shares. If the conditions are satisfied and the agreements become binding, CopperCo will issue 10,751,016 CopperCo Shares pursuant to those arrangements. Further details concerning the Minsec Options, and the Option Arrangements, are contained at Part V, paragraph 15(b) (CopperCo material contracts) on page 214 of the attached UK prospectus equivalent document.

2.3 LTIP arrangements

Two directors of Minsec (Robert Champion de Crespigny AC and Keith Liddell) are participants in the Minsec LTIP. Those two LTIP Beneficiaries have entered into arrangements with CopperCo and Minsec whereby, on a change of control in Minsec, they will receive 80% of their entitlement under the Minsec LTIP (that is, they

[5]This date was chosen so as to be consistent with the date used in the attached UK prospectus equivalent document (which date was set prior to that document being confirmed by, and has been agreed with, the UKLA).
[6]The trading data in this Prospectus has been sourced from IRESS (who have not consented to the use of this trading data in this Prospectus).
[7]This does not include any CopperCo Shares which are to be issued on or about 30 June 2008 in respect of 1,800,000 CopperCo Options which have been exercised.
[8]This is following the cancellation of the Minsec Treasury Shares.

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will each receive 3,072,000 Minsec Shares).[9] The LTIP Beneficiaries have further agreed that those Minsec Shares, and three quarters of the resultant CopperCo Shares they will receive upon acceptance of the Offer, will be subject to voluntary escrow for a period of up to 36 months from the date that the Offer is declared unconditional in all respects. Those shares will be released from escrow in certain circumstances (including to allow the holder to participate in a takeover bid or scheme of arrangement, if the CopperCo board consents (which it cannot do during the first 12 months), or if they are not appointed (during a certain period) or cease being in certain circumstances an executive and/or a director (in the case of Keith Liddell) or director (in the case of Robert Champion de Crespigny) of the Company). Further detail regarding the Minsec LTIP arrangements and the agreed escrow arrangements are set out at Part V, section 15(a) (CopperCo material contracts) on page 214 of the attached UK prospectus equivalent document.

2.4 Irrevocable undertakings

In the absence of a superior proposal or a material adverse change in CopperCo, all of the Minsec Directors have undertaken to accept the Offer in respect of those Minsec Shares that they control. This includes any Minsec Shares issued on exercise of Minsec Options and (in respect of the LTIP Beneficiaries) any Minsec Shares issued pursuant to the Minsec LTIP. Together, these undertakings represent approximately 12.79% of Minsec's existing share capital (excluding the Minsec Treasury Shares but including the Minsec Shares to be issued to the LTIP Beneficiaries). The Minsec Directors have also undertaken to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares that they, or their relatives, hold. Further details concerning the irrevocable undertakings are set out at paragraph 7.3 of Part I on page 23 of the attached UK prospectus equivalent document.

2.5 Unmarketable shareholdings

Minsec's articles of association include provisions that allow it under certain circumstances to compulsorily sell holdings of Minsec Shares that are less than a marketable parcel, with the proceeds being remitted to the holder. Any Minsec Shareholder who holds 442 or fewer Minsec Shares as at 26 June 2008 will not hold a marketable parcel of Minsec Shares (and will be considered an "Unmarketable Parcel Holder" for these purposes).

If the Offer becomes wholly unconditional, CopperCo intends to seek to compulsorily acquire or cause to be redeemed any Minsec Shares it has not acquired under the Offer in accordance with BVI law (see paragraph 1.5 above). If this occurs, any Unmarketable Parcel Holder who has not accepted the Offer will have the CopperCo Shares they would otherwise be entitled to receive transferred to a nominee and sold (with the proceeds remitted to them).

Unmarketable Parcel Holders who accept the Offer may elect to have the CopperCo Shares they are to receive sold on market in a similar fashion. Further details of this election are contained at paragraph 5, Section B of Part IV on page 183 of the attached UK prospectus equivalent document. If they do not so elect, accepting Unmarketable Parcel Holders will receive 2.2 CopperCo Shares for each Minsec Share held.

2.6 Law governing the Offer

Minsec is a corporation incorporated under the laws of the British Virgin Islands. Accordingly, the Offer for Minsec Shares is required to comply with the laws of the BVI, and Minsec's articles of association.

Those articles contain provisions requiring CopperCo to conduct the Offer substantially in accordance with the City Code. However, Minsec Shareholders should note that:

(a) as permitted by Minsec's articles of association, the Minsec board has consented to certain deviations from the requirements of the City Code - subject to those (and any other agreed) variations, Minsec and CopperCo intend to conduct the Offer in accordance with the Code; and

(b) notwithstanding the requirements of Minsec's articles of association, the Offer is outside the jurisdiction of the UK Panel (so Minsec Shareholders will not have the benefit or protection that the UK Panel would provide).
Further information concerning the application of the Code and the agreed variations is set out at paragraph 9 of Appendix III of the Offer Document.

[9]Under the current terms of the LTIP, each of Mr Liddell and Mr de Crespigny would have a 100% entitlement under the Minsec LTIP upon a change of control in Minsec.

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2.7 Offer Conditions and status

The Offer can only become effective if all of the Conditions to the Offer have been satisfied or waived (to the extent permissible). The Conditions are set out in Part IV, section A on page 175 of the attached UK prospectus equivalent document.

The Conditions include, among others:

(a) the acceptance of the Offer by holders of at least 80% of the Minsec Shares (note that CopperCo may waive this requirement, but only to a level that remains above 50%);

(b) the cancellation of the Minsec Treasury Shares;

(c) the conversion by Minsec of convertible notes held by it in CopperCo – which conversion occurred on 13 March 2008;

(d) the approval by CopperCo Shareholders of various aspects of the Offer at an extraordinary general meeting – which approval was obtained on 16 May 2008;

(e) approval under the Foreign Acquisitions and Takeover Act – which approval was obtained on 14 April 2008;

(f) no event occurring which would have a material adverse effect on Minsec;

(g) no material acquisitions or disposals being made by Minsec unless previously announced or disclosed;

(h) the share price in Platmin Ltd not closing, for 20 consecutive trading days, below a certain level;

(i) Minsec not proceeding with any further acquisition of shares in Platmin Ltd from CDC Group PLC – the agreement with CDC Group was terminated by mutual consent on 1 February 2008; and

(j) consent from CopperCo's financier being obtained under certain debt facility agreements – which consent has been obtained.

Where (at the date of this Prospectus) a Condition has been satisfied, this has been indicated above. To the best of the knowledge and belief of the Directors of CopperCo, none of the other Conditions has been triggered or become incapable of being satisfied.

2.8 Purpose of the Offer

The purpose of the Offer is to acquire all of the outstanding Minsec Shares (other than the Minsec Treasury Shares). Further details of the Offer are set out in the Offer Document and the attached UK prospectus equivalent document (including at Part IV (Conditions and further terms of Offer) (pages 175 to 199)). CopperCo currently has on issue 506,708,866 CopperCo Shares[10] and 50,380,000 unlisted CopperCo Options.[11]

Details of the effect of the Offer on CopperCo's capital structure can be found at paragraph 3.4 of this Prospectus. As the CopperCo Shares will be issued in exchange for Minsec Shares, no funds will be raised by the Offer.

2.9 Allotment

Assuming the Offer becomes wholly unconditional, the CopperCo Shares are expected to be allotted within 7 days after the Offer closes for acceptances.

[10]This does not include any CopperCo Shares which are to be issued on or about 30 June 2008 in respect of 1,800,000 CopperCo Options which have been exercised.
[11]A notice of exercise has been received in respect of 1,800,000 CopperCo Options, but shares are yet to be issued in respect of these CopperCo Options.

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2.10 ASX quotation of CopperCo Shares

CopperCo is listed on the ASX.

The Offer is subject to various Conditions, as discussed above at paragraph 2.7.

An application for admission of the CopperCo Shares (to be issued under this Prospectus) to quotation will be made to ASX within 7 days of the date of this Prospectus.

Pursuant to section 741 of the Corporations Act, ASIC has granted CopperCo a modification of section 723(3) of the Corporations Act on the basis that this Prospectus relates to a takeover offer rather than to fundraising. Pursuant to section 723(3), as modified, CopperCo must ensure that the CopperCo Shares to be issued under this Prospectus (that is, if all Conditions are satisfied or otherwise waived) are admitted to quotation on ASX within 7 days after the end of the bid period for the Offer. If this is not achieved, then the issue of CopperCo Shares in response to an acceptance of the Offer will be void and any relevant Minsec Shares which have been accepted into the Offer will be returned to the relevant Minsec Shareholders.

3. Information about CopperCo

3.1 Introduction

CopperCo is a public company listed on the ASX. The Company's principal activity since 2004 has been the identification, development and, more recently, the exploitation of mineraliferous tenements in Queensland. The acquisition of CopperCo's key asset, the Lady Annie Project, in June 2004, has enabled CopperCo's board to develop the company into a high margin copper producer in just over three years. Lady Annie is currently producing at an annualized rate of 19,000 tpa of copper cathode and CopperCo is aiming to increase capacity to 25,000 tpa in late December 2008. CopperCo's principal product is LME grade 'A' copper cathode, the sale of which commenced in October 2007. CopperCo has an off take agreement with Glencore International AG for all copper cathode produced by the Lady Annie project over the mine's life.

Further detail concerning CopperCo and the Enlarged CopperCo Group is set out in Part I (pages 16 to 31) of the attached UK prospectus equivalent document.

Financial information concerning CopperCo is contained in Part II of the attached UK prospectus equivalent document – see in particular section E on page 127 (a half-year financial report on CopperCo for the six months ended 31 December 2007) and section A on page 32 (an accountant's report on the CopperCo financial information prepared by Ernst & Young in accordance with the UK prospectus requirements).

3.2 Enlarged CopperCo Group

If the Offer is successful, the Enlarged CopperCo Group will be a diversified global resources company, with interests in base and precious metals including copper, zinc, lead, platinum and gold. In the opinion of the Directors, the mix of producing and developing assets, commodities and locations will provide a well balanced mix of investments of projects for the Enlarged CopperCo Group and ultimately its shareholders. The CopperCo Directors also consider that CopperCo and Minsec share a common corporate culture which, if the Offer is successful, will facilitate the smooth and timely integration of CopperCo and Minsec.

The principal activities and assets of the Enlarged CopperCo Group will include the following:

- CopperCo's wholly owned Lady Annie Project[12](a producing copper mine located approximately 120km north of Mount Isa in Queensland);
- Minsec's approximate 17.52% shareholding in Platmin Limited (an AIM and TSX listed Canadian company exploring and developing four platinum group metals projects on the Bushveld complex in South Africa);
- Sappes, the Greek gold project wholly owned by Minsec's subsidiary, Thrace Minerals AC (upon which feasibility studies have been conducted);
- Minsec's 25% joint venture interest in the Lady Loretta project (a zinc, lead and silver project adjacent to CopperCo's Lady Annie project) in relation to which feasibility studies are ongoing;
- Minsec's early stage projects:
  - exploring for new targets over an historic goldfield at Mt Scotchie, near Gympie in Queensland (by Buka Gold Limited, an ASX listed company of which Minsec owns approximately 58.23%);

[12]A technical report on the Lady Annie Project, prepared by Snowden Mining Industry Consultants Pty Ltd, is set out at part VI (pages 234 to 294) of the attached UK prospectus equivalent document.

- exploring for gold in a joint venture at Qixia in the Shandong Province in eastern China; and
- Australis Exploration Pty Ltd (wholly owned by Minsec) which has permit applications covering approximately 36,000km² of the Georgina Basin to the west of Mount Isa; and

• Minsec's investments in listed companies, including Tianshan Goldfields Limited (approximately 27.64%), Herencia Resources plc (approximately 46%), Mineral Sands Limited (approximately 34.47%) and NiPlats Australia Limited (approximately 40.11%).

It is the Enlarged CopperCo Group's intention to increase its ownership of, and manage cash flow producing assets in, the core commodity groups of copper and other base metals, platinum and precious metals.

The chairman of Minsec stated at Minsec's annual general meeting on 19 February 2008 that Minsec has commenced the process of disposing of non-core assets and will continue this as and when market conditions allow. CopperCo intends to follow the same approach and to reinvest any realised cash into the core assets of the Enlarged CopperCo Group, value enhancing acquisitions and selected exploration initiatives.

Further information about the Enlarged CopperCo Group (including the activities and assets referred to above, and the Enlarged CopperCo Group's objectives and strategies) is set out at Part III (pages 160 to 174) of the attached UK prospectus equivalent document.

Minsec currently owns approximately 18% of the issued share capital in CopperCo[13]. If the Offer is successful, that shareholding will (as required by the Corporations Act) be disposed of within 12 months by either seeking shareholder approval to cancel or buy-back those shares, or by disposing of those shares by way of a rights issue or placement.

It should be noted that at the time of the announcement of the proposed Offer, it had been envisaged that those Minsec Directors who were not already CopperCo Directors would join the Board of CopperCo on completion of the Offer. As announced to ASX on 6 June 2008, it was subsequently agreed that any decision by CopperCo to invite any of the current Minsec Directors to join the Board of CopperCo will be deferred until after completion of the Offer. Further, CopperCo understands that the acceptance of any such invitation would be subject to the personal circumstances of the relevant individual at the time. As previously announced, it is intended that Keith Liddell, the current chief executive officer of Minsec and the current non-executive chairman of CopperCo, will become the chief executive officer of the Enlarged CopperCo Group and will have primary responsibility for precious metals. Brian Rear, the current managing director of CopperCo will be the managing director of the Enlarged CopperCo Group and will have primary responsibility for base metals.

Otherwise, if the Offer becomes unconditional, it is proposed that each of CopperCo's current senior managers (who are referred to at paragraph 8.2, Part I on page 27 of the attached UK prospectus equivalent document) will continue in their roles, and that the Minsec senior managers (who are referred to at paragraph 8.3, Part I on page 28 of the attached UK prospectus equivalent document) will become senior managers of CopperCo.

If the Offer becomes unconditional, CopperCo intends to procure the making of applications to the London Stock Exchange to cancel the admission of the Minsec Shares to trading on AIM (if it receives valid acceptances in excess of 75% of Minsec Shares) and to ASX to cancel quotation of the CDIs (if it receives valid acceptances in respect of 90% of Minsec Shares).

3.3 Disclosing entity

This Prospectus is issued by CopperCo pursuant to section 713 of the Corporations Act (which allows the use of a more concise prospectus) as a prospectus for the offer of continuously quoted securities in CopperCo. Section 713 of the Corporations Act requires that this Prospectus contain all information that Australian resident Minsec Shareholders and their professional advisers would reasonably require and reasonably expect to find in this Prospectus for the purpose of making an informed assessment of:

• the effect of the Offer on CopperCo; and

[13]Not including any further CopperCo Shares that may be issued to Minsec in connection with the acquisition by CopperCo from Minsec of shares in Zambezi Resources Limited pursuant to a heads of agreement dated 5 June 2007 (which acquisition has been postponed in accordance with the Bidding Agreement between Minsec and CopperCo dated 29 January 2008).

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• the rights and liabilities attaching to the CopperCo Shares to be issued.

CopperCo is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to CopperCo may be obtained from, or inspected at, an ASIC office.

Each recipient of this Prospectus has a right to obtain a copy of:

(a) the annual financial report of CopperCo for the year ended 30 June 2007;
(b) the half-year financial report of CopperCo to 31 December 2007; and
(c) any continuous disclosure notices filed by CopperCo with the ASX after lodgement of the annual report for the financial year ended 30 June 2007 and before lodgement of this Prospectus with ASIC (which notices are listed in Section 5.9 below).

CopperCo will give, free of charge, a copy of any of these documents to any person who requests them before the close of the Offer.

Copies of announcements made by CopperCo to the ASX are available from ASX's website (at www.asx.com.au), and from CopperCo's website (at www.copperco.com.au).

3.4 Market prices in CopperCo Shares

The lowest and highest market sale prices of CopperCo Shares on ASX during the three months from 21 March 2008 to 20 June 2008, and the respective dates of those sales, were $0.43 on 25 March 2008 and $0.75 on 19 May 2008. The closing price for CopperCo Shares on the ASX on 20 June 2008 was $0.60 and on 25 June 2008 was $0.57.

The closing price for CopperCo Shares on ASX on 27 January 2008 (the last Australian business day prior to the date of the announcement of the Offer) was $0.65.

3.5 Capital structure of CopperCo

Details of share capital

Set out below is a summary of all securities currently on issue in CopperCo as at the date of this Prospectus, together with details of the maximum number of CopperCo Shares which may be issued pursuant to the Offer (and Options Arrangements).

Capital structure	Number
CopperCo Shares currently on issue [14]	506,708,866
Maximum number of CopperCo Shares to be issued to Minsec Shareholders pursuant to the Offer[15]	359,611,498
Maximum number of CopperCo Shares that may be issued to holders of Minsec Options pursuant to the Options Arrangements	10,751,016
Shares issuable upon exercise of all outstanding CopperCo options[16]	50,380,000
Maximum Total	**927,451,380**

[14]Note that Minsec currently holds approximately 91.6 million shares in CopperCo (not including any further CopperCo Shares that may be issued to Minsec in connection with the acquisition by CopperCo from Minsec of shares in Zambezi Resources Limited pursuant to a heads of agreement dated 5 June 2007 - which acquisition has been postponed in accordance with the Bidding Agreement between Minsec and CopperCo dated 29 January 2008). Following successful completion of the Offer, CopperCo will be required by law to cancel or dispose of these CopperCo Shares within 12 months. Any cancellation will reduce the number of CopperCo Shares on issue. In addition, the number of CopperCo Shares stated does not include any CopperCo Shares which are to be issued on or about 30 June 2008 in respect of CopperCo Options which have been exercised.
[15]This assumes that the Minsec Treasury Shares have been cancelled prior to the close of the Offer, and that CopperCo Shares are issued in respect of all other Minsec Shares.
[16]A notice of exercise has been received in respect of 1,800,000 of these CopperCo Options, but shares are yet to be issued in respect of these CopperCo Options.

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Details of Existing CopperCo Options

No. of Existing Options	Exercise price	Option expiry date	Capable of exercise on or before close of Offer
4,800,000	$0.37	18 July 2011	Yes
1,380,000	$0.20	30 June 2010	Yes
4,000,000	$0.45	30 June 2010	Yes
750,000	$0.55	30 June 2010	No
750,000	$0.60	30 June 2010	No
1,800,000[17]	$0.20	30 June 2008	Yes
20,000,000	$0.65	30 June 2010	Yes
1,700,000	$0.79	19 July 2012	Yes
15,000,000	$1.06	30 June 2010	Yes
200,000	$1.10	31 December 2010	Yes
Total: 50,380,000			

Accordingly, there are 50,380,000 existing CopperCo options of which 48,880,000 are capable of exercise into CopperCo Shares on or before the expected closing date of the Offer.

Paragraph 6 of Part V on page 208 of the attached UK prospectus equivalent document lists all known substantial shareholders of the Company (being those who have a relevant interest in 5% or more of its issued capital as at 20 June 2008), and the expected effect of the Offer on those holdings.

3.6 Effect of the proposed acquisition of Minsec on the financial position of CopperCo

Section G of Part II (pages 156 to 159) of the attached UK prospectus equivalent document contains a consolidated pro forma statement of net assets for the Enlarged CopperCo Group (and a report from Ernst & Young prepared in accordance with the UK prospectus requirements), showing the effect of the Offer on the net asset position of CopperCo (as if the Offer had been completed at 31 December 2007) on the basis indicated therein. That statement of net assets must be read in conjunction with the accompanying assumptions and notes.

In accordance with UK legislative requirements, paragraph 20 of Part V (starting on page 228) of the attached UK prospectus equivalent document contains a working capital statement for the Enlarged CopperCo Group in which it is stated that the CopperCo Directors do not believe (without taking the stated mitigating actions) that CopperCo will have sufficient working capital for at least the next 12 months (given that Minsec's A$45 million debt facility with Macquarie Bank is due for repayment in December 2008). This issue is also discussed at paragraph 4 below.

The CopperCo Directors believe that the existing business of CopperCo (i.e. excluding Minsec) would not experience a working capital shortfall during the next 12 months.

As stated in paragraph 20 of Part V (starting on page 228) of the attached UK prospectus equivalent document, the size (A$45 million) of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale, when taken together with the various fundraising opportunities outlined in paragraph 20 of Part V (starting on page 228) of the attached UK prospectus equivalent document, means that the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available to remedy the working capital shortfall. To reflect the CopperCo Directors' view that the working capital shortfall will be resolved, all the financial information in this Prospectus has been prepared on a going concern basis.

[17] A notice of exercise has been received in respect of these CopperCo Options, but shares are yet to be issued in respect of them.

Section E of Part II on page 127 of the attached UK prospectus equivalent document sets out the half year financial report for CopperCo for the six months ended 31 December 2007 (that is, prior to the making of the Offer or any consolidation of Minsec).

3.7 Rights and liabilities attaching to CopperCo Shares

If you accept the Offer you will be issued with CopperCo Shares (other than where you are an Unmarketable Parcel Holder and make the cash election, or you are an overseas shareholder in which case CopperCo reserves the right to arrange for the sale or allotment of the relevant CopperCo Shares and to remit the net cash proceeds to you – see paragraph 7, Section B of Part IV on page 187 of the attached UK prospectus equivalent document). Any CopperCo Shares issued to you will rank equally with all other CopperCo Shares on issue.

At paragraph 13 of Part V on page 212 of the attached UK prospectus equivalent document, there is a summary of some of the more significant rights attaching to CopperCo Shares. That summary is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of CopperCo Shares and must be read subject to Australian statute and general law and the CopperCo Constitution.

4. Risk factors

Prior to accepting the Offer, Minsec Shareholders should carefully consider all risk factors associated with CopperCo and the CopperCo Shares, including the detailed "Risk Factors" section set out on pages 8 to 13 of the attached UK prospectus equivalent document.

Minsec Shareholders should carefully consider those risk factors before making a decision to accept the Offer. If any of those risks actually occur, the Enlarged CopperCo Group's business, financial condition, results or future operations could be materially and adversely affected. In such circumstances, the price of CopperCo Shares could decline and investors could lose all or part of their investment.

Key risks include the following:

- The Directors are of the opinion that CopperCo does not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this Prospectus unless it is able to secure additional funding through, among other methods, sales of non-core assets, debt repayment deferral, debt refinancing, further equity issues or business development. Without management taking any of these mitigating actions, the Directors consider that the Enlarged CopperCo Group will run out of funds in December 2008 (which is when Minsec's A$45 million debt facility with Macquarie Bank is due for repayment). The Directors consider that the principal risks associated with this working capital position are:
    - divestment of non-core assets may not be consummated, or may not be consummated within the time periods anticipated, or the proceeds received may be less than anticipated;
    - there can be no assurances that CopperCo will be able to obtain additional funding on a timely basis, on reasonable terms, or at all, or that such additional funding would be sufficient to enable CopperCo to continue to implement its long term business strategy;
    - if CopperCo is unable to obtain sufficient additional funding, its bankers would be able to exercise their security over the CopperCo group's assets;
    - any delay in reducing indebtedness may adversely affect CopperCo's credit rating and may result in its borrowing costs being higher than expected;
    - a failure to secure funding could result in the going concern basis used for the preparation of the financial information in this Prospectus becoming inappropriate; and
    - the increase in the absolute value of CopperCo and Minsec's combined debt may limit CopperCo's ability to raise additional debt or equity in the future and increase the risk of default.

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The size (A$45 million) of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale, when taken together with the various fundraising opportunities outlined above, means that the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available to remedy the working capital shortfall. Further information in this regard is provided at paragraph 20 of Part V (starting on page 228) of the attached UK prospectus equivalent document.

- There can be no assurance that the Enlarged CopperCo Group will be able to generate sufficient revenue to finance its long-term investment strategies, debt repayments and continuing operational costs beyond the 12 month period referred to above. In the longer term, this may result in a reduction of the flexibility of the Enlarged CopperCo Group to utilise its cash to fund project development, capital expenditure and other general corporate needs; the need to raise additional funding; the delay of certain projects; the dilution of existing shareholdings if further funds are raised; and increased exposure to changes in interest rates.

- Financial risk and indebtedness – as a result of the Enlarged CopperCo Group having a higher gearing ratio than Minsec currently has on a standalone basis and the fact that the Enlarged CopperCo Group will be required to dedicate a significant portion of its cash flows from operations to fund payments in respect of the debt.

- The increased demand for minerals in recent years has resulted in reserves being depleted at an accelerated rate. A failure in the Enlarged CopperCo Group's ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities could negatively affect the group.

- Fluctuating prices for minerals (and any effect a slowing in Chinese economic growth or consumption could have on global prices for minerals).

- Currency fluctuation – especially given that a substantial amount of the Enlarged CopperCo Group's investments, revenues and costs will or are likely to be denominated in other currencies.

- Country, political and economic risks by virtue of having material interests, rights or interests in a number of different countries.

- Operating risks beyond the Enlarged CopperCo Group's control (including environmental hazards, industrial accidents, technical failures, inclement or hazardous weather conditions, lack of available water for processing, earthquake, fires, access to logistical support and infrastructure, geological conditions, and risks associated with production, equipment and industrial chemicals) may disrupt its operations and investments.

- Potential negative pricing pressure if recipients of CopperCo Shares pursuant to the Offer seek to divest those shares. There could also be potential negative pricing pressure when CopperCo seeks to cancel or dispose of the approximately 18% stake[18] in CopperCo held by Minsec (which it will be required to do, by law, within 12 months of any acquisition of Minsec).

- Uncertainty of the value of the consideration under the Offer – given especially as the Offer exchange ratio (of 2.2 CopperCo Shares for each Minsec Share) was fixed at the time of the initial announcement of the Offer (in January 2008).

- The fact that CopperCo Shares are (unlike the Minsec Shares) only listed on ASX and not on any other securities exchange, which could affect the liquidity of CopperCo Shares when compared to shares (such as Minsec Shares) which are listed on more than one securities exchange.

[18]Not including any further CopperCo Shares that may be issued to Minsec in connection with the acquisition by CopperCo from Minsec of shares in Zambezi Resources Limited pursuant to a heads of agreement dated 5 June 2007 (which acquisition has been postponed in accordance with the Bidding Agreement between Minsec and CopperCo dated 29 January 2008).

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5. Other Material information

5.1 Interests of CopperCo Directors

Interests of CopperCo Directors in CopperCo securities

Other than as set out in this section 5.1 of this Prospectus or in section 5 of Part V on page 207 of the attached UK prospectus equivalent document or elsewhere in that document, no Director holds, or has held within two years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of CopperCo, or in any property acquired or proposed to be acquired by CopperCo in connection with its formation or promotion or the Offer.

The interests of CopperCo Directors in Minsec Shares and Minsec Options and in CopperCo Shares and CopperCo options (as at the date of this Prospectus and immediately following completion of the Offer, assuming it is successful), held either directly or indirectly, are set out in the following table:

Name	No. of Minsec Shares held	No. and class of Minsec Options held	Minsec LTIP rights [19]	No. of CopperCo Shares held	No. of CopperCo Options held	Post completion of the Offer [20]	
						No. of CopperCo Shares held	No. of CopperCo Options held
Keith Liddell	7,561,710	1,300,000 (B Class)	3,072,000	535,736	1,500,000	24,665,698	1,500,000
Richard Basham	83,094	-	-	407,157	1,000,000	589,964	1,000,000
Brian Rear	341,946	-	-	6,879,267	3,000,000	7,631,548	3,000,000
Hon. John Moore AO	544,641	31,336 (NEDSOS)[21]	-	899,500	-	2,125,505	-
Peter Patrikeos	-	-	-	15,000	-	15,000	-

Details of the contracts entered into between CopperCo and the CopperCo Directors are set out in section 10.1 of Part V on page 209 of the attached UK prospectus equivalent document. Details of the remuneration of CopperCo Directors are set out in section 10.3 of Part V on page 211 of the attached UK prospectus equivalent document.

5.2 Continuous disclosure requirements

As at the date of this Prospectus, CopperCo has not excluded any information from a continuous disclosure notice in accordance with the Listing Rules that is information that investors and their professional advisers would reasonably require (and would reasonably expect to find in this Prospectus) for the purpose of making an informed assessment of:

(a) the assets and liabilities, financial position and performance, profits and losses and prospects of CopperCo; and
(b) the rights and liabilities attaching to CopperCo Shares.

[19] See paragraph 2.3 of this Prospectus.
[20] This assumes that all of the stated Minsec Shares (including any to be issued pursuant to the LTIP arrangements described in paragraph 2.3) are accepted into the Offer, and that the Options Arrangements (as described in paragraph 2.2) become unconditional.
[21] 13,691 issued in 2007 and 17,645 issued in 2008.

5.3 Taxation

A general overview of the general Australian taxation position for Minsec Shareholders who accept the Offer is set out at section 17.2, Part V on page 223 of the attached UK prospectus equivalent document. A general overview of the general New Zealand taxation position for Minsec Shareholders who accept the Offer is set out at section 17.6, Part V on page 225 of the attached UK prospectus equivalent document. This information is provided as a general guide only; is not a substitute for advice from an appropriate professional adviser; and all Minsec Shareholders are strongly advised to obtain their own professional advice on tax implications based upon their own specific circumstances.

5.4 Litigation

CopperCo is not engaged in any litigation which has or would be likely to have a material adverse effect on either CopperCo or its business.

5.5 Other information

There is no information relating to the Offer that, because of its confidential or prejudicial nature, has not been notified to the ASX which investors and their professional advisers would reasonably require (and would reasonably expect to find in this Prospectus) for the purpose of making an informed assessment of assets and liabilities, financial position and performance, profits and losses and prospects of CopperCo and the rights and liabilities attaching to the CopperCo Shares.

5.6 Costs of the Offer

If the Offer is completed, CopperCo's total costs in connection with the Offer (excluding Minsec's costs) are estimated to be approximately $5.5 million. This cost estimate encompasses CopperCo's fees and expenses relating to corporate, legal, accounting and taxation advice and expert's reports (in Australia and in overseas jurisdictions), as well as administrative, printing, advertising and other expenses.

5.7 Interests and benefits of advisers

Other than as set out in this section 5.7 of this Prospectus or in the attached UK prospectus equivalent document, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or has held within two years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer.

UBS AG (Investment Banking Division) is acting as financial adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$600,000 for these services to the date of this Prospectus. In addition, CopperCo has agreed to pay UBS AG a success fee of 1% of the transaction value if the Offer is completed.

Cochrane Lishman is acting as Australian legal adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$1.1 million for these services to the date of this Prospectus.

Reed Smith is acting as English and US legal adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$1 million for these services to the date of this Prospectus.

Conyers Dill & Pearman is acting as BVI legal adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$90,000 for these services to the date of this Prospectus.

Ernst & Young is acting as accounting adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$250,000 for these services to the date of this Prospectus.

Deloitte is acting as taxation adviser to CopperCo in relation to the Offer. CopperCo has paid or agreed to pay approximately A$160,000 for these services to the date of this Prospectus.

Snowden Mining Industry Consultants Pty Ltd has prepared a Competent Person's Report on the Mineral Assets of CopperCo for inclusion in the UK prospectus equivalent document. CopperCo has paid or agreed to pay approximately A$150,000 for these services.

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5.8 Consents

Each of the parties named in the table below has not made any statement in the Prospectus and:

- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions in this Prospectus, other than the reference to its name and a statement or report included in this Prospectus with the consent of that consenting party; and
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus in the form and context in which it is named.

Role	Consenting parties
Financial adviser	UBS AG (Investment Banking Division)
Australian legal adviser	Cochrane Lishman
UK and US legal adviser	Reed Smith
BVI legal adviser	Conyers, Dill & Pearman
Taxation adviser	Deloitte
Share registrar	Computershare Investor Services Pty Ltd

The following parties have not made any statement in this Prospectus, other than as specified below:

- Snowden Mining Industry Consultants Pty Ltd has given, and has not before the lodgement of this Prospectus with ASIC withdrawn, its consent to being named in this Prospectus and to the inclusion in the UK prospectus equivalent document of its Competent Person's Report on the Mineral Assets of CopperCo in the form and context in which it is so named and that report included;

- Ernst & Young has given, and has not before the lodgement of this Prospectus with ASIC withdrawn, its consent to being named in this Prospectus and to the inclusion in the UK prospectus equivalent document of its reports set out in sections A, C and G of Part II of that document (and references to them in this Prospectus) in the form and context in which it is so named and those reports and references included; and

- Each of:
  - Malcolm Titley (in respect of mineral resource estimates for Lady Annie);
  - Dr Omer Mol (in respect if ore reserve estimates for Lady Annie);
  - Pierre Bernard (in respect of mineral resources for Lady Loretta);
  - SRK Consulting (UK) Limited and Dr Michael Armitage (in respect of ore reserves for Sappes); and
  - Dr R.J. Gunthorpe (in respect of exploration results for Gympie, Mt Scotchie),

  have given, and have not before the lodgement of this Prospectus with ASIC withdrawn, their consent to being named in this Prospectus and to the inclusion in the UK prospectus equivalent document of statements by them, or statements based on statements by them, in the form and context in which they are so named and those statements included.

- KPMG has given, and not before the lodgement of this Prospectus with ASIC withdrawn, its consent to being named in this Prospectus and to the inclusion in the UK prospectus equivalent document of the KPMG valuations (set out in paragraph 2.3 of Part I on page 17 of that document) in the form and context in which it is so named and those references included.

Except as stated above, no party has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based. None of the persons referred to above have caused or authorised the issue of this Prospectus. Accordingly, none of the persons referred to above make any representation regarding, or have any responsibility for, any other statements in or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given above.

5.9 ASX announcements

The following announcements have been made by CopperCo to ASX since lodgement of its 2007 Annual Report with ASIC:

Date	Description
20 June 2008	Appendix 3Y - Change of Directors Interest
20 June 2008	Appendix 3B - Exercise of Options
12 June 2006	Revised Ore Reserve Expansion Update - Lady Annie
11 June 2008	Lady Brenda - Significant Resource Drilling Intercepts
6 June 2008	Extension of Deadline for CopperCo to Make an Offer for Minsec
16 May 2008	Results of General Meeting
16 May 2008	Investor Presentation General Meeting 16 May 2008
28 April 2008	Issue of Securities and Appendix 3B
23 April 2008	Issue of Securities and Options
22 April 2008	Change in Substantial Holdings for URL
22 April 2008	Quarterly Report to 31 March 2008 and Appendix 5B
21 April 2008	Results of General Meeting
17 April 2008	Lady Annie East Sulphide Results
15April 2008	Terms of ASX Waiver
15 April 2008	General Meeting Package for 16 May 2008
15 April 2008	Release of General Meeting Materials for 16 May 2008
01 April 2008	Extension of deadline for CopperCo to make an offer for Minsec
01 April 2008	Extension of deadline for CopperCo to make an offer for Minsec
25 March 2008	CopperCo added to Standards and Poor/ASX 300 Index
20 March 2008	Notice of Meeting to Ratify Securities and Placement
13 March 2008	Issue of Securities
11 March 2008	Reinstatement to Official Quotation
11 March 2008	Capital Raising and Accelerated Expansion
10 March 2008	Replacement of Page 9 to the Half Year Financial Report
10 March 2008	Suspension from Official Quotation
6 March 2008	Request for Trading Halt
6 March 2008	Trading Halt
27 February 2008	Half Year Financial Report to 31 December 2007
25 February 2008	Company Secretary Appointment/Resignation
13 February 2008	Shareholder letter
29 January 2008	Investor Presentation
29 January 2008	Proposed CopperCo and Minsec Merger
25 January 2008	Boardroom Radio Broadcast
22 January 2008	Quarterly Report and Appendix 5B for 31 December 2007
15 January 2008	Boardroom Radio Broadcast
14 January 2008	Flying Horse Deeps Project
8 January 2008	Lady Maggie Oxide Intercepts
12 December 2007	Inaugural Mineral Resource Estimate Anthill Prospect
12 December 2007	Boardroom Radio Broadcast
6 December 2007	Change of Directors Interest Notice Appendix 3Y
6 December 2007	Exercise of Options Appendix 3B
5 December 2007	Issue of Securities and Appendix 3B
29 November 2007	Lady Annie Resource Estimate
21 November 2007	Buckley River Drilling Results Update
14 November 2007	Boardroom Radio Broadcast
14 November 2007	Change of Directors Interest Notice
13 November 2007	Results of Annual General Meeting
25 October 2007	Quarterly Report to 30 September 2007 and Appendix 5B

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6. Directors' authorisation and consent

This Prospectus is issued by CopperCo and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has given, and has not withdrawn, before the date of this Prospectus, his consent to the lodgement of this Prospectus with ASIC.

Dated: 30 June 2008

Signed for CopperCo Limited by:



Mr Brian Rear
Managing Director

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7. Glossary

7.1 Definitions

AIM means the market of that name operated by the London Stock Exchange.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691), or the market conducted by it (as appropriate).

BVI means the British Virgin Islands.

BVI Act means the BVI Business Companies Act, 2004 (Virgin Islands).

CDI means a CHESS Depositary Interest (being a unit of beneficial ownership in a Minsec Share registered in the name of CHESS Depositary Nominees Pty Ltd) tradeable on ASX.

CDI Acceptance Form means the form of acceptance and authority for holders of CDI's (which accompanies the Offer Document).

City Code means the UK City Code on Takeovers and Mergers.

Conditions means the conditions to the Offer discussed at paragraph 2.7 of this Prospectus and set out in full at Section A of Part IV on page 175 of the attached UK prospectus equivalent document.

Constitution means the constitution governing CopperCo.

CopperCo or Company means CopperCo Limited (ABN 95 004 434 904).

CopperCo Options means the existing options issued by CopperCo to subscribe for CopperCo shares.

CopperCo Shares means fully paid shares in CopperCo, including (where relevant) those to be issued to accepting Minsec Shareholders pursuant to the Offer.

Corporations Act means the Corporations Act 2001 (Cwlth).

Directors or Board means the directors of CopperCo (being, at the date of this Prospectus, Keith Liddell, Brian Rear, Richard Basham, Hon. John Moore AO and Peter Patrikeos).

Enlarged CopperCo Group means CopperCo and its subsidiaries as enlarged by the proposed acquisition of Minsec Shares pursuant to the Offer.

Form of Acceptance means the form of acceptance and authority for holders of Minsec Shares in certificated form (which accompanies the Offer Document).

Listing Rules means the listing rules of the ASX.

LTIP means the Minsec Long Term Incentive Plan approved at a general meeting of Minsec held on 12 April 2007.

LTIP Beneficiaries means Keith Liddell and Robert Champion de Crespigny AC.

MESOS means the 2007 Share Option Scheme adopted by Minsec on 12 April 2007.

Minsec means Mineral Securities Limited ARBN 124 546 443, a corporation registered in the BVI under BVI company number 1390447.

Minsec Directors means Robert Champion de Crespigny AC, Keith Liddell, Stephen Phipps, Nigel Hamway, Hon John Moore AO and Sir Bruce MacPhail.

Minsec LTIP means the Long Term Incentive Plan approved at a general meeting of Minsec held on 12 April 2007.

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Minsec Options means options to subscribe for and be allotted Minsec Shares, being the:
(a) 1,300,000 B Class Options;
(b) 7,533,333 D Class Options;
(c) 280,000 E Class Options
(d) 2,500,000 F Class Options;
(e) 5,160,000 MESOS Options; and
(f) 97,297 NEDSOS Options.

Minsec Optionholder means a holder of a Minsec Option.

Minsec Treasury Shares means Minsec Shares (or CDIs in respect of such shares) held by Minsec or its subsidiaries (being at the date of this Prospectus, 13,961,804 Minsec Shares held by Danae Resources NL, Buka Minerals Pty Ltd and Buka Minerals (Lady Loretta No. 2) Pty Ltd) which Minsec Shares are to be cancelled prior to the end of the Offer period in accordance with one of the conditions to the Offer.

Minsec Shares means fully paid ordinary shares in the capital of Minsec.

Minsec Shareholder means a registered holder of Minsec Shares (including, where relevant, the holder of CDIs in respect of such shares).

NEDSOS means the 2007 Non Executive Directors' Share Option Scheme adopted by Minsec on 12 April 2007 (the terms of which were confirmed at the Minsec Annual General Meeting held on 19 February 2008).

Offer means the offer contained in the Offer Document to acquire all of the outstanding Minsec Shares (as it may be amended).

Offer Document means the document entitled "Recommended Share Offer" (a copy of which accompanies this Prospectus) prepared and mailed to holders of Minsec Shares (including CDIs underlying Minsec Shares) in connection with the Offer, as it may be amended.

Options Arrangement means the separate agreements between CopperCo, Minsec and each Minsec Optionholder described at paragraph 2.2 of this Prospectus.

Prospectus means this prospectus (including the UK prospectus equivalent document attached as Annexure A to this prospectus) as modified or varied by any supplementary document issued by CopperCo and lodged with ASIC from time to time.

Prospectus Directive means the Prospectus Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003.

Restricted Jurisdiction means Canada, Japan and any jurisdiction where local law or regulations may result in a significant risk of civil, regulatory or criminal exposure or prosecution if information concerning the Offer is sent or made available to Minsec Shareholders in the jurisdiction.

Securities Act means the US Securities Act 1933 (as amended).

UKLA means the United Kingdom Listing Authority.

UK Panel means the United Kingdom Panel on Takeovers and Mergers.

UK prospectus equivalent document means the document attached as Annexure A to this Prospectus, being a UK prospectus equivalent document prepared by CopperCo for the purposes of issuing CopperCo Shares to (among others) UK resident Minsec Shareholders (and which has been confirmed by the UKLA in accordance with the Prospectus Directive).

Unmarketable Parcel Holder means a Minsec Shareholder holding less than a marketable parcel of Minsec Shares as described in paragraph 2.5 of this Prospectus.

US Person means a US Person as defined in regulation S of the Securities Act.

7.2 Interpretation

In this Prospectus, unless the context otherwise requires:

a) a reference to a statutory provision is to the Corporations Act unless otherwise specified;
b) the singular includes the plural and vice versa;
c) other grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning;
d) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
e) a reference to any gender includes both genders;
f) a reference to clause, section, annexure or paragraph is to a clause, section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
g) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
h) a reference to dollars, $ or A$ is to Australian currency;
i) a reference to £, or GBP is to UK currency;
j) in this document, headings are for ease of reference only and do not affect its interpretation; and
k) except where specifically defined in this Prospectus, terms defined in the Corporations Act have the same meaning in this

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Prospectus Corporate Directory

Directors

Mr. Keith Stuart Liddell (Non Executive Chairman)

Mr. Brian James Rear (Managing Director)

Mr. Richard John Basham (Non Executive Director)

The Hon. John Colinton Moore AO (Non Executive Director)

Mr. Peter John Patrikeos (Non Executive Director)

Company Secretary

Mr. Phillip Hartog

ASX Code

CUO

Registered Office

Level 22

Allendale Square

77 St Georges Terrace

Perth WA 6000

Australia

Share Registry

Computershare Investor Services Pty Limited

Level 2

Reserve Bank Building

45 St Georges Terrace

Perth WA 6000

Australia

Australian Legal Advisers

Cochrane Lishman

Level 12, London House

216 St Georges Terrace

Perth, WA 6000

Australia

English and US Legal Advisers

Reed Smith

Minerva House

5 Montague Close

London

SE1 9BB

England

BVI Legal Advisers

Conyers Dill & Pearman

Romasco Place

Wickhams Cay 1

PO Box 3140

Road Town, Tortola

British Virgin Islands VB1110

Auditor

Ernst & Young

The Ernst & Young Building

11 Mounts Bay Road

Perth WA 6000

Australia

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ANNEXURE A
UK PROSPECTUS EQUIVALENT DOCUMENT

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. This document has been prepared for the purposes of paragraph 1.2.2R(2) of the Prospectus Rules published by the Financial Services Authority.

If you have sold or otherwise transferred all of your Minsec Shares, please forward this document and the accompanying documentation as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded, transmitted or distributed in or into any Restricted Jurisdiction if to do so would constitute, or cause the Offer to constitute, a violation of the relevant securities laws of such other jurisdiction.

The distribution of this document in jurisdictions other than the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland and Cyprus may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your Minsec Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

CopperCo Limited and the CopperCo Directors (whose names appear on page 15 of this document) accept responsibility for the information contained in this document. To the best of the knowledge of CopperCo Limited and the CopperCo Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

The existing CopperCo Shares are quoted on the ASX and application will be made for the New CopperCo Shares to be issued pursuant to the Offer to be quoted on the ASX. The New CopperCo Shares will, on quotation, rank *pari passu* in all respects with the existing CopperCo Shares. No application has been made or will be made for the New CopperCo Shares to be admitted to listing or dealt with on any other exchange.

Prospective investors should read the whole of this document and the attention of Minsec Shareholders is particularly drawn to the risk factors set out on page 8 of this document.

Issue of up to 370,362,515

ordinary shares in

CopperCo Limited

(incorporated in Australia with Australian Company Number 004 434 904)

in connection with the recommended offer

for

Mineral Securities Limited

(incorporated in the British Virgin Islands with registered number 139 0447)

UBS is acting exclusively for CopperCo and no one else in connection with the Offer and will not be responsible to anyone other than CopperCo for providing the protections afforded to clients of UBS or for providing advice in relation to the Offer, the issue of New CopperCo Shares, or any other arrangement or matter referred to herein. UBS is not acting as sponsor under the listing rules of the UK Financial Services Authority and accepts no responsibility whatsoever (whether arising in tort, contract or otherwise) for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with CopperCo, the New CopperCo Shares or the Offer.

The New CopperCo Shares to be issued in connection with the Offer have not been, and will not be, registered under the Securities Act or under the securities laws of any state, district or other jurisdiction of the United States. The New CopperCo Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration under the Securities Act or an exemption from the registration requirements. The Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who also agree to resell such securities only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New CopperCo Shares or passed an opinion on the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.** This document has been prepared pursuant to rules and requirements other than those promulgated under the United States federal securities laws and may not contain disclosures customary, expected or required in securities transactions prepared pursuant to US rules and requirements.

The Offer is not being, and will not be, made, directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or by any facility of, a national, state or other securities exchange of any Restricted Jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means, instrumentality or facilities from or within a Restricted Jurisdiction. Accordingly, copies of this document and any related documents are not being, and must not be, in whole or in part, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this document and any related document (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them, in whole or in part, in, into or from any other jurisdiction where to do so would constitute a violation of the relevant laws of any such jurisdiction.

The New CopperCo Shares have not been, nor will they be, registered under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New CopperCo Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into a Restricted Jurisdiction or for the account or benefit of any person located in a Restricted Jurisdiction.

CopperCo shall not in relation to the New CopperCo Shares:

(a) provide from within Cyprus, Cyprus Investment Services to any person;

(b) provide from outside Cyprus, Cyprus Investment Services to Cyprus residents or persons domiciled in Cyprus; or

(c) conclude in Cyprus any transaction relating to such Cyprus Investment Services in contravention of the Cyprus IS Law and its regulations.

The Offer is not being made to persons within or in Cyprus except in compliance with the provisions of the Public Offer and Prospectus Law (Law 114 (I)/2005) and the Companies Law, Cap 113 of the Laws of Cyprus as amended from time to time.

Without prejudice to the preceding paragraphs, the New CopperCo Shares shall not be advertised, offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal and non-legal entities) resident, incorporated, established, domiciled or having their usual residence in Cyprus or to any such person located within the territory of Cyprus except to the extent permitted by and in accordance with Cyprus law and regulations.

The contents of this document should not be construed as legal, financial or tax advice. Each Minsec Shareholder should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

All references to time in this document are to London time unless otherwise stated.

Copies of this document, the Offer Document, the Form of Acceptance and the CDI Acceptance Form are available for collection, free of charge during normal business hours, from the offices of CopperCo Limited, Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia 6000 and Mineral Securities Limited, 14 Golden Square, London W1F 9JF.

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SUMMARY

This summary should be read as an introduction to this document. Any decision to accept the Offer and receive the New CopperCo Shares should be based on a consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a Court, the plaintiff investor might, under national legislation of the EEA States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document.

1. Introduction

On 29 January 2008, it was announced that agreement had been reached to merge CopperCo and Minsec and that the merger would take place by way of a recommended offer by CopperCo for all the Minsec Shares.

2. CopperCo history

CopperCo is a public company listed on the ASX. The Company's principal activity since 2004 has been the identification, development and, more recently, the exploitation of mineraliferous tenements in Queensland. The acquisition of CopperCo's key asset, the Lady Annie Project, in June 2004, has enabled the CopperCo Board to develop the Company into a high margin copper producer in just over three years. Lady Annie is currently producing at an annualised rate of 19,000 tpa of copper cathode and the Company is aiming to increase capacity to 25,000 tpa in late December 2008 and to 30,000 tpa by mid 2009.

3. Minsec history

Minsec is an ASX and AIM listed resource investment company which was created for the purposes of acquiring Minsec Australia in June 2007 and Scarborough in July 2007. Minsec makes early stage investments in resource companies and projects with a focus on identifying undervalued or emerging resource projects that can be developed into successful and viable operations. It currently has investments in Australia, Chile, China, Greece, Kazakhstan, Kyrgyzstan, Mozambique, South Africa and Zambia.

4. The Offer

The Offer Document, the Form of Acceptance (for holders of Minsec Shares in certificated form) and the CDI Acceptance Form (for CDI Holders) have been issued today and accompany this document. The Independent Directors of Minsec unanimously recommend that Minsec Shareholders accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo on the terms and conditions set out in Part IV of this document.

CopperCo is offering to acquire Minsec Shares on the basis of 2.2 New CopperCo Shares for each Minsec Share.

Fractional entitlements to New CopperCo Shares will not be allotted or issued pursuant to the Offer and will be rounded down to the nearest whole number.

Based on the closing price of CopperCo Shares on the ASX on 20 June 2008 (being the latest practicable date prior to the publication of this document) of A$0.60:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$208 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries, gives a value of approximately A$222 million;
- the Offer values each Minsec Share at A$1.32 which equates to a premium of approximately 13.8% to A$1.16 (being the closing price of Minsec Shares on the ASX on the latest practicable date prior to the publication of this document); and
- the Offer equates to premiums of approximately 13.6% and 9.5% to the average Closing Prices on AIM of 56 pence per Minsec Share and of 58 pence per Minsec Share over the three and six months respectively prior to the publication of this document (assuming an exchange rate of 0.4824 (£: A$)).

Based on the closing price of CopperCo Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$0.65:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$225 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries, gives an equity value of approximately A$241 million;
- the Offer values each Minsec Share at A$1.43 which equates to a premium of approximately 2.1% to A$1.40 (being the price at which Minsec Shares last traded on the ASX on the last business day prior to the date of the Announcement); and
- the Offer equates to a premium of approximately 5.9% to £0.605 (being the price at which Minsec Shares last traded on AIM on the last Business Day prior to the date of the Announcement) assuming an exchange rate of 0.4479 (£: A$).

As at 20 June 2008, being the latest practicable date prior to the publication of this document, the share capital of CopperCo was 506,708,866 CopperCo Shares. Full acceptance of the Offer will result in the issue of up to 370,362,515 New CopperCo Shares representing a dilution of 47% for an existing CopperCo Shareholder who does not own Minsec Shares (assuming cancellation of the CopperCo Treasury Shares).

CopperCo Shares are currently quoted on the ASX and an application will be made to the ASX for the quotation of the New CopperCo Shares. New CopperCo Shares will, when issued, rank *pari passu* in all respects with existing CopperCo Shares. CopperCo is not listed on AIM or any other securities exchange.

The total expenses relating to the Offer which, assuming the Offer becomes wholly unconditional, will be payable by the Enlarged CopperCo Group, are estimated to amount to approximately US$6.4 million (excluding GST and VAT, if any).

The Offer will initially remain open for acceptance until 10:00 a.m. (London time) on 1 August 2008, unless extended.

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5. Minsec Share Options and Minsec LTIP

CopperCo and Minsec have entered into separate agreements with each of the Minsec Optionholders to issue New CopperCo Shares in consideration for the release and cancellation of their Minsec Share Options.

Robert Champion de Crespigny AC and Keith Liddell have entered into arrangements with CopperCo and Minsec whereby, on the change of control of Minsec, they will receive 80% of their entitlement under the Minsec LTIP which they will exchange for New CopperCo Shares. Three quarters of the New CopperCo Shares they receive will be subject to voluntary escrow for a period of 36 months from the date the Offer becomes wholly unconditional. The escrowed CopperCo Shares may be released early in certain circumstances.

6. Irrevocable undertakings

The Minsec Directors have given irrevocable undertakings to accept the Offer in respect of any Minsec Shares which they currently hold or may after the date of their undertaking become the registered holder and beneficial owner and to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares held by themselves and/or certain specified relatives.

The undertakings remain binding unless there is, *inter alia*, a superior proposal or a material adverse change in CopperCo.

7. Background to and reasons for the Offer

The Enlarged CopperCo Group will be a diversified global resources company, with interests in base and precious metals including copper, zinc, lead, platinum and gold. In the opinion of the CopperCo Directors, the mix of producing and developing assets, commodities and locations will provide a well balanced mix of investments and projects for the Enlarged CopperCo Group and ultimately its shareholders.

The CopperCo Directors believe that successful completion of the Offer will result in various synergies being realised for CopperCo and Minsec's combined projects, an enlarged equity market presence in the base and precious metals markets and a combination of an experienced and skilled management team.

The CopperCo Directors further believe that the Offer gives Minsec Shareholders an opportunity to exchange their investment in Minsec for an investment in the prospects of the Enlarged CopperCo Group at a discount.

8. The Board and Senior Managers of the Enlarged CopperCo Group

Following completion of the Offer, the directors and members of the senior management of CopperCo will be:

Chief Executive Officer:	Keith Liddell	
Managing Director:	Brian Rear	
Non-Executive Directors:	Richard Basham	The Hon. John Moore AO
	Peter Patrikeos	
Senior Managers:	Jamie Armes	Paul Martinkus
	Michael Bohm	Keren Paterson
	Barry Deans	Simon Pooley
	Phillipus Hartog	Ken Rogers
	David Hillier	Peter Ruzicka

9. UK City Code on Takeovers and Mergers

Minsec is incorporated and registered in the British Virgin Islands and, whilst the articles of association of Minsec contain provisions concerning conducting the Offer in accordance with the Code, Minsec Shareholders will not have the benefit or the protection that the Panel would provide as it is outside the Panel's jurisdiction.

As permitted by the articles of association of Minsec, the Minsec Board has consented to certain deviations from the requirements of the Code and, subject to those and any further agreed deviations, Minsec and CopperCo intend to conduct the Offer in accordance with the Code.

10. Key financial information

The following financial information has been prepared in accordance with IFRS and has been extracted from the CopperCo and the Consolidated Minsec Group's financial information set out in Part II of this document:

10.1 ***CopperCo Group***

	Six months ended 31 December 2007 (unaudited) A$000	*Year ended 30 June 2007 A$000*	*Year ended 30 June 2006 A$000*	*Year ended 30 June 2005 A$000*
Revenue from ordinary activities	23,352	—	—	—
Other revenue	218	1,283	353	121
Profit (loss) before income tax	584	(77,072)	(7,885)	(2,338)
Income tax (expense) benefit	(850)	21,423	4,282	—
Net profit (loss)	(266)	(55,649)	(3,603)	(2,338)
Total assets	209,658	141,275	94,889	36,444
Total liabilities	(148,932)	(90,407)	(17,590)	(7,684)
Net assets	60,726	50,868	77,299	28,760

There has been no significant change in CopperCo's financial position since 31 December 2007, other than:

(i) Approximately A$5.7 million of guarantees included in non-current liabilities at 31 December 2007 have since been de-recognised and will now be disclosed as contingent liabilities.

(ii) The Directors of CopperCo and Minsec announced to ASX on 29 January 2008 an agreement to merge CopperCo and Minsec. On 16 May 2008, the CopperCo Shareholders approved the Acquisition at an extraordinary general meeting of the Company.

(iii) CopperCo completed a A$30.4 million capital raising conducted in the following tranches:

(A) on 11 March 2008, 33,700,000 CopperCo Shares were issued to external investors at A$0.54 per share (raising A$16,996,723 after costs);

(B) in two separate parts on 23 and 28 April 2008, 22,666,666 CopperCo Shares were issued to external investors at A$0.54 per share (raising A$11,622,368 after costs).

(iv) On 11 March 2008, CopperCo repaid a A$2.5 million loan facility to Bell Co Pty Ltd.

(v) On 13 March 2008, CopperCo issued 4,222,222 shares to Minsec upon conversion of A$1.9 million of convertible notes.

(vi) Preliminary construction activities for the Lady Annie expansion commenced in January 2008. On 11 March 2008 CopperCo announced plans to accelerate the expansion from 19,000 tpa to 30,000 tpa of copper cathode and that CopperCo completed a A$30.4 million private placement to fund the Lady Annie expansion.

(vii) On 28 March 2008, CopperCo repaid a A$2.5 million loan facility to Simon Moore.

(viii) On 11 April 2008, CopperCo repaid a A$5 million loan facility to LinQ.

(ix) On 28 April 2008, CopperCo issued 500,000 CopperCo Shares, credited as fully paid, to Stephen Blackman pursuant to the exercise of 500,000 unlisted options at A$0.20 each.

(x) On 20 June 2008, CopperCo issued 4,000,000 CopperCo Shares, credited as fully paid, to Brian Rear pursuant to the exercise of 4,000,000 unlisted options at A$0.20 each.

(xi) The net unrealised gains reserve at 31 December 2007 has been transferred to the income statement in recognition of the reversal of the unrealised gains that created it.

(xii) The derivative reserve debit balance has increased from A$12,751,000 at 31 December 2007 as a consequence of changes in CopperCo's hedge position, the price of copper and the A$:US$ exchange rate.

10.2 ***Consolidated Minsec Group***

	Six months ended 31 March 2008 (unaudited) US$000	*Year ended 30 September 2007 US$000*	*15 months ended 30 September 2006 US$000*	*Year ended 30 June 2005 US$000*
Revenue from ordinary activities	3,479	5,561	8,635	—
Profit (loss) before tax and exceptional items	(9,984)	(8,813)	890	851
Exceptional items	9,652	84,947	(20,523)	—
Income tax (expense) benefit	(220)	(220)	455	—
Net profit (loss)	(552)	75,914	(19,178)	851
Total assets	345,278	348,174	97,429	16,482
Total liabilities	(60,160)	(45,156)	(5,321)	(191)
Net assets	285,118	303,018	92,108	16,291

There has been no material change in Minsec's financial position since 31 March 2008.

10.3 ***Working Capital***

The CopperCo Directors are of the opinion that CopperCo does not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

The CopperCo Directors believe that, without management taking any of the mitigating actions listed below, the Enlarged CopperCo Group will run out of funds in December 2008, that is when Minsec's A$45 million debt facility with Macquarie Bank is due for repayment.

As a mining investment company, Minsec currently sources its working capital from a mix of asset sales, equity raisings and bank debt. Minsec's projected cash flows to 30 June 2009 show the need for additional funding to meet the repayment of the Macquarie Bank facility on 31 December 2008. In the absence of additional funding, CopperCo anticipates a maximum shortfall of US$31.3 million immediately after the Macquarie Bank facility is repaid.

The CopperCo Directors believe that the existing business of CopperCo (i.e. excluding Minsec) would not experience a working capital shortfall during the next 12 months.

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Preferred strategy

As at the date of this document, the CopperCo Directors have not determined the Company's preferred strategy to resolve the working capital shortfall, but have a number of funding strategy options available to them including, inter alia, sales of non-core assets, debt repayment deferral, debt refinancing, further equity issuances and business development. The CopperCo Directors consider that it is likely that a combination of these options will be pursued.

Current commitments

Details of CopperCo's commitments following the Acquisition are set out in Note 28 to the CopperCo financial information in Section B of Part II and Note 49 to the Consolidated Minsec Group financial information in Section D of Part II all of which CopperCo intends to fund from its current resources. The major additional cash outflow to which CopperCo is committed is the expansion of the Lady Annie facility to 30,000 tpa described in paragraph 2.1 of Part I, for which CopperCo has already secured debt and equity funding.

At present ongoing expenditure in respect of Lady Loretta is funded from Minsec's working capital. Any decision to develop the project would involve substantial capital investment by CopperCo to meet Minsec's 25% share of the cost. Should a development decision be made, CopperCo expects to fund Minsec's share through a mixture of project debt finance and new equity. However, if such funding is unavailable then the joint venture agreement provides for the dilution of Minsec's interest in direct proportion to the investment shortfall.

Should development decisions be made at other projects such as Sappes, CopperCo would expect to raise any such funding from a combination of project debt finance and new equity at either group or project level.

Risks associated with the working capital position

The CopperCo Directors consider that the principal risks associated with this working capital position are:

(a) divestment of non-core assets may not be consummated, or may not be consummated within the time periods anticipated, due to market conditions or the absence of interested purchasers. In addition, the proceeds received in connection with any such divestments which are consummated may be less than anticipated;

(b) there can be no assurances that CopperCo will be able to obtain additional funding through any of the above proposed strategies on a timely basis, on reasonable terms, or at all, or that such additional funding would be sufficient to enable CopperCo to continue to implement its long term business strategy;

(c) if CopperCo is unable to obtain sufficient additional funding, its bankers would be able to exercise their security over the CopperCo Group's assets which could have a material adverse effect on CopperCo's prospects and could materially and adversely affect the market price of CopperCo Shares and all or part of an investment in CopperCo Shares could be lost;

(d) any delay in reducing indebtedness may also adversely affect CopperCo's credit rating and may result in its borrowing costs being higher than expected;

(e) a failure to secure funding could result in the going concern basis used for the preparation of the financial information in this document becoming inappropriate resulting in adjustments to the carrying values, recoverability and balance sheet classification of assets and liabilities; and

(f) whilst the gearing ratio of CopperCo following the Acquisition will be lower than that of pre-Acquisition CopperCo on a standalone basis, the increase in the absolute value of CopperCo and Minsec's combined debt may limit CopperCo's ability to raise additional debt or equity in the future and will increase the risk that CopperCo's trading income is insufficient to meet the payment obligations and therefore increase the risk of default.

Conclusion

The size (A$45 million) of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, when taken together with the various fundraising opportunities outlined above, means that the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available to remedy the working capital shortfall.

10.4 ***Capitalisation and Indebtedness***

As at 20 June 2008, CopperCo had capitalisation of A$179.6 million and indebtedness of A$90.4 million, totalling A$270.0 million, which was offset by cash of A$12.7m. On completion of the Acquisition, indebtedness will increase by A$45.0 million, the repayment of which is discussed above, and CopperCo's contingent liabilities of A$8.4 million will increase by approximately A$2.6 million.

11. Compulsory redemption, cancellation of admission to AIM and cancellation of quotation on ASX

If the Offer becomes unconditional, CopperCo intends to procure the making of applications to the London Stock Exchange to cancel the admission of the Minsec Shares to trading on AIM (if it receives valid acceptances in excess of 75% of Minsec Shares), and to the ASX to cancel quotation of the CDIs (if it receives valid acceptances in respect of 90% of Minsec Shares).

If CopperCo acquires less than 100% of the Minsec Shares, it intends to take all necessary actions to acquire compulsorily or have redeemed the remaining Minsec Shares on substantially the same terms as those offered under the Offer. There are various methods under the laws of the British Virgin Islands by which CopperCo may obtain 100% of the issued and outstanding Minsec Shares following consummation of the Offer. These include:

(i) mandatory redemption of minority shares pursuant to section 176 of the BVI Act;

(ii) an arrangement pursuant to section 177 of the BVI Act; or

(iii) a merger or consolidation pursuant to section 170 of the BVI Act (each (i), (ii) and (iii) a "Subsequent Acquisition Transaction").

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The timing and details of any Subsequent Acquisition Transaction will depend on a number of factors, including the number of Minsec Shares acquired pursuant to the Offer. While CopperCo currently intends that consideration offered under any Subsequent Acquisition Transaction would be the same as the consideration offered under the Offer, the consideration offered could ultimately be lower or higher.

12. Unmarketable shareholdings

Minsec's articles of association include provisions which allow it to compulsorily sell holdings of Minsec Shares that are not considered a marketable parcel and remit the cash proceeds to the Minsec Shareholder. A person recorded on Minsec's register of members as holding 442 Minsec Shares or less as at 5.00 pm (Australian EST) on 26 June 2008 ("Record Date") and where such person continues to hold 442 Minsec Shares or less as at the date the Offer is declared unconditional in all respects will not hold a marketable parcel of Minsec Shares ("Unmarketable Parcel Holder").

Unmarketable Parcel Holders who accept the Offer will automatically receive 2.2 New CopperCo Shares for each Minsec Share held, unless they make a Cash Election, whereby their entitlement to New CopperCo Shares will be sold and the proceeds distributed to the Unmarketable Parcel Holder.

As described above, should the Offer become wholly unconditional and CopperCo acquire less than 100% of the Minsec Shares, CopperCo intends to take all necessary actions to acquire compulsorily or have redeemed any Minsec Shares not acquired pursuant to the Offer. If this occurs, an Unmarketable Parcel Holder that has not accepted the Offer will have the number of New CopperCo Shares they were entitled to issued to the CopperCo Nominee and sold, with the proceeds distributed to the Unmarketable Parcel Holder.

13. Procedure for acceptance of the Offer

The procedure for acceptance of the Offer is set out in paragraph 14 of Part I.

14. Documents on display

Copies of key documents in respect of the Offer are available for inspection while the Offer remains open for acceptance at Reed Smith's Minerva House office in London and at CopperCo's registered office in Perth, Western Australia.

15. Risk factors

Set out below is a summary of what the CopperCo Directors believe to be some of the principal risk factors involved in an investment in the Enlarged CopperCo Group:

1. Availability of sufficient funding to finance its operations for the next 12 months;
2. Availability of sufficient funding to finance operations beyond the next 12 months;
3. Failing to discover new minerals' reserves, enhance existing reserves or develop new operations;
4. A slow down of China's consumption of minerals may negatively affect results;
5. Currency fluctuations, as the selling price of minerals is usually denominated in US dollars and a substantial part of the Enlarged CopperCo Group's activities is conducted in other currencies;
6. Fluctuations in mineral prices;
7. Uninsured risks;
8. Competition in the mineral exploration and mining industries;
9. Susceptibility to political, social and economic risk due to the diverse locations in which the Enlarged CopperCo Group will have interests;
10. Lack of control over non-controlled assets and reliance on third parties;
11. Exploration, mining, development and processing risks;
12. The attraction and retention of skilled management and personnel;
13. Operating cost pressures including demand for, and shortages in, contractors, materials and supplies;
14. Disruption due to industrial action;
15. Operating risks in respect of the Enlarged CopperCo Group's operations and investments beyond its control;
16. Reliance on receipt of regulatory approvals;
17. The uncertainty associated with resource estimates;
18. General economic conditions;
19. Effect of native title and indigenous land rights on tenements;
20. Health, safety and environmental risks associated with the mining industry;
21. Reliance on publicly available information;
22. Potential negative pricing pressure as a result of the Acquisition;
23. Exposure to higher risk assets following the Acquisition;
24. Potential negative effect of the disposal of the CopperCo Treasury Shares;
25. Uncertainty as to the value of the consideration under the Offer;
26. The effect of change of control provisions which may be triggered by the Acquisition;
27. Specific risks associated with assets held through Minsec;
28. Possible volatility of the price of CopperCo Shares;
29. Uncertainty as to future dividends;
30. The effect of future share issues; and
31. CopperCo Shares being listed on ASX but not on AIM or any other securities exchange.

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RISK FACTORS

In addition to all other information set out in this document, Minsec Shareholders should carefully consider the risk factors described below before making a decision to accept the Offer. If any of the following risks actually occur, the Enlarged CopperCo Group's business, financial condition, results or future operations could be materially and adversely affected. In such circumstances, the price of CopperCo Shares could decline and investors could lose all or part of their investment.

The risk factors mentioned below are those material risk factors of which the CopperCo Directors are aware. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the CopperCo Directors, or that the CopperCo Directors currently deem immaterial, may also have an adverse effect on CopperCo and, following completion of the Acquisition, the Enlarged CopperCo Group's business, financial condition and prospects.

The information given is as of the date of this document.

RISKS RELATING TO COPPERCO AND THE ENLARGED COPPERCO GROUP

1. Availability of sufficient funding to finance operations for the next 12 months

As set out in the Company's working capital statement in paragraph 20 of Part V of this document, the CopperCo Directors are of the opinion that CopperCo does not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

The CopperCo Directors believe that, without management taking any of the mitigating actions listed below, the Enlarged CopperCo Group will run out of funds in December 2008, that is when Minsec's A$45 million debt facility with Macquarie Bank is due for repayment.

As a mining investment company, Minsec currently sources its working capital from a mix of asset sales, equity raisings and bank debt. Minsec's projected cash flows to 30 June 2009 show the need for additional funding to meet the repayment of the Macquarie Bank facility on 31 December 2008. In the absence of additional funding, CopperCo anticipates a maximum shortfall of US$31.3 million immediately after the Macquarie Bank facility is repaid.

The CopperCo Directors believe that the existing business of CopperCo (i.e. excluding Minsec) would not experience a working capital shortfall during the next 12 months.

Preferred strategy

As at the date of this document, the CopperCo Directors have not determined the Company's preferred strategy to resolve the working capital shortfall, but have a number of funding strategy options available to them including, inter alia, sales of non-core assets, debt repayment deferral, debt refinancing, further equity issuances and business development. The CopperCo Directors consider that it is likely that a combination of these options will be pursued.

Current commitments

Details of CopperCo's commitments following the Acquisition are set out in Note 28 to the CopperCo financial information in Section B of Part II and Note 49 to the Consolidated Minsec Group financial information in Section D of Part II all of which CopperCo intends to fund from its current resources. The major additional cash outflow to which CopperCo is committed is the expansion of the Lady Annie facility to 30,000 tpa described in paragraph 2.1 of Part I, for which CopperCo has already secured debt and equity funding.

At present ongoing expenditure in respect of Lady Loretta is funded from Minsec's working capital. Any decision to develop the project would involve substantial capital investment by CopperCo to meet Minsec's 25% share of the cost. Should a development decision be made, CopperCo expects to fund Minsec's share through a mixture of project debt finance and new equity. However, if such funding is unavailable then the joint venture agreement provides for the dilution of Minsec's interest in direct proportion to the investment shortfall.

Should development decisions be made at other projects such as Sappes, CopperCo would expect to raise any such funding from a combination of project debt finance and new equity at either group or project level.

Risks associated with the working capital position

The CopperCo Directors consider that the principal risks associated with this working capital position are:

(a) divestment of non-core assets may not be consummated, or may not be consummated within the time periods anticipated, due to market conditions or the absence of interested purchasers. In addition, the proceeds received in connection with any such divestments which are consummated may be less than anticipated;

(b) there can be no assurances that CopperCo will be able to obtain additional funding through any of the above proposed strategies on a timely basis, on reasonable terms, or at all, or that such additional funding would be sufficient to enable CopperCo to continue to implement its long term business strategy;

(c) if CopperCo is unable to obtain sufficient additional funding, its bankers would be able to exercise their security over the CopperCo Group's assets which could have a material adverse effect on CopperCo's prospects and could materially and adversely affect the market price of CopperCo Shares and all or part of an investment in CopperCo Shares could be lost;

(d) any delay in reducing indebtedness may also adversely affect CopperCo's credit rating and may result in its borrowing costs being higher than expected;

(e) a failure to secure funding could result in the going concern basis used for the preparation of the financial information in this document becoming inappropriate resulting in adjustments to the carrying values, recoverability and balance sheet classification of assets and liabilities; and

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(f) whilst the gearing ratio of CopperCo following the Acquisition will be lower than that of pre-Acquisition CopperCo on a standalone basis, the increase in the absolute value of CopperCo and Minsec's combined debt may limit CopperCo's ability to raise additional debt or equity in the future and will increase the risk that CopperCo's trading income is insufficient to meet the payment obligations and therefore increase the risk of default.

Conclusion

The size (A$45 million) of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, when taken together with the various fundraising opportunities outlined above, means that the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available to remedy the working capital shortfall.

2. Availability of sufficient funding to finance operations beyond the next 12 months

There can be no assurance that the Enlarged CopperCo Group will be able to generate sufficient revenue to finance its long-term investment strategies, debt repayments and continuing operational costs beyond the 12 month period covered by the Working Capital Statement in paragraph 20 of Part V of this document.

Additionally, in the longer term:

(a) the Enlarged CopperCo Group will be required to dedicate a significant proportion of its cash flows from operations to fund payments in respect of its debt, thereby reducing the flexibility of the Enlarged CopperCo Group to utilise its cash to fund project development, capital expenditure and other general corporate needs;

(b) realisation of the potential value inherent in the Enlarged CopperCo Group's directly held assets may require the raising of additional funding. The level of funding required is uncertain;

(c) the Enlarged CopperCo Group's ability to continue its exploration, assessment, development and operational activities will depend on (among other things) the resource industry generally which is cyclical in nature, which may affect the Enlarged CopperCo Group's ability to attract financing, including joint venture financing, debt or bank financing, equity financing or production financing arrangements;

(d) failure to obtain, or difficulty or delay in obtaining, requisite financing on acceptable terms could result in the delay of certain projects or postponement of further exploration, assessment or development of certain properties or projects;

(e) to the extent the Company raises capital by issuing additional shares, existing shareholdings will be diluted; and

(f) as a result of the Acquisition, the balance sheet of the Enlarged CopperCo Group will have a higher gearing ratio than Minsec currently has on a standalone basis. This will result in increased exposure to changes in interest rates.

3. Failing to discover new minerals reserves, enhance existing reserves or develop new operations

The increased demand for minerals in recent years has resulted in existing reserves being depleted at an accelerated rate. Because most of the Enlarged CopperCo Group's revenues and profits are related to its and its associates' and investee companies' minerals operations, its results and financial conditions are directly related to the success of those exploration and acquisition efforts and the ability to replace existing reserves. A failure in the Enlarged CopperCo Group's ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of reserves could negatively affect the Enlarged CopperCo Group's results, financial condition and prospects.

4. A slow down of China's consumption of minerals may negatively affect results

The Chinese market has become a significant source of global demand for minerals. In recent times, there has been a synchronised global recovery, resulting in upward movement in mineral prices driven partly by China's demand. This synchronised demand has introduced increased volatility in the Enlarged CopperCo Group's mineral portfolio. Whilst this demand has, in recent periods, resulted in higher prices for commodities, a slowing in China's economic growth could (notwithstanding the Enlarged CopperCo Group's hedging strategies described in paragraph 10.6(d) of Part III of this document) result in lower mineral prices and therefore reduce the Enlarged CopperCo Group's revenues.

5. Currency fluctuations

International selling prices for minerals are usually denominated in US dollars, whereas the income and expenditure of CopperCo are taken into account in Australian currency. Accordingly, CopperCo is exposed to the potential fluctuations and volatility of the rate of exchange between the US dollar and the Australian dollar as determined in international markets. Following the Acquisition, a substantial amount of the market valuation of investments, revenues and costs of the Enlarged CopperCo Group (as an investor in international mining companies and projects) is likely to, or will be, denominated in other currencies and there may be a mismatch between the currencies in which costs are incurred and revenues received. As a result, a number of foreign currency effects may arise from exchange rate movements (notwithstanding the Enlarged CopperCo Group's hedging strategies described in paragraph 10.6(d) of Part III of this document).

6. Fluctuations in mineral prices

The value of the Enlarged CopperCo Group's projects and investments will be affected by the prevailing mineral prices associated with the various minerals being explored or mined by the companies and projects in which it has investments. Mineral prices fluctuate and are affected by numerous factors beyond the control of the Enlarged CopperCo Group. These factors include general world economic conditions and the outlook for interest rates, inflation and a range of other economic factors on both a regional and global basis. These factors may have an adverse effect on the value of the Enlarged CopperCo Group's assets, revenues, earnings and cashflows and accordingly on the price of existing CopperCo Shares and New CopperCo Shares.

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7. Uninsured risks

The Enlarged CopperCo Group, as a participant in exploration and mining programmes, may become subject to liabilities for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. The Enlarged CopperCo Group may incur a liability (in excess of any insurance cover) arising from such hazards.

8. Competition in the mineral exploration and mining industries

The mineral exploration and mining business is competitive in all of its phases. The Enlarged CopperCo Group competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Enlarged CopperCo Group, in the search for and acquisition of exploration and development rights on attractive mineral properties. The Enlarged CopperCo Group's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration rights (as described in Part III of this document), but also on its ability to compete with third parties. There is no assurance that the Enlarged CopperCo Group will continue to be able to compete successfully in acquiring new exploration and development rights.

9. Susceptibility to political, social and economic risk

Changes in government regulations and policies may adversely affect the financial performance of the companies and projects in which the Enlarged CopperCo Group invests.

The countries in which the Enlarged CopperCo Group will have material interests, rights or investments are Australia (particularly Lady Annie and Lady Loretta) and South Africa (Platmin) with a direct interest in Greece (Sappes) and indirect interests in China, Chile, Mozambique, Zambia, Kazakhstan and Kyrgyzstan. This diversification should minimise the impact on the Enlarged CopperCo Group of adverse political, social and economic issues in any one country other than Australia or South Africa, both of which have long-established mining industries which are central to their economies.

The country risks to which the Enlarged CopperCo Group has exposure include a range of economic, political, administrative, taxation and regulatory factors. There can be no assurance that the future political and economic conditions in the countries in which the Enlarged CopperCo Group or its investee companies operate will not result in their governments adopting different policies in relation to foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income, return of capital and other areas, each of which may affect the Enlarged CopperCo Group's ability to undertake its strategy in respect of its assets in the manner currently contemplated. Political, social and economic factors may interrupt or prevent exploration, mine development or production operations or may result in the non-renewal or cancellation of exploration licenses and permits.

10. Lack of control over non-controlled assets and reliance on third parties

The Enlarged CopperCo Group will have interests in resource companies and in the assets through which it participates in joint ventures with other entities. Any failure of the company in which it has invested or other joint venture party to meet their obligations could have a material adverse effect on the value of the investment or project. In many cases, the Enlarged CopperCo Group may be unable to control or influence strategic decisions made in respect of the companies in which it has invested or in which it participates by joint venture and so is exposed to the decisions of management of those entities and is dependent on the quality of such management to maximise the value of its investment. In some cases, the Enlarged CopperCo Group is dependent on the use of third party infrastructure and services. The loss of the services could have an adverse effect on its operations.

RISKS RELATING TO THE INDUSTRY

11. Exploration, mining, development and processing risks

CopperCo and the Enlarged CopperCo Group are exposed to the risks inherent in exploration, development, mining and processing of mineral products. The key risks include: the grade and tonnage of an ore-body may not be what was originally estimated from the drilling, analysis and resource/reserve estimation; exploration for additional ore-bodies or extension of existing ore-bodies may not be successful or may yield results which are either lower than expected or inconsistent with earlier data; applications for mining tenements may not be granted; the feasibility study for the development of any proposed mine and processing facilities may provide results which mean that the development of the mine is either uneconomic in current market conditions or provides insufficient returns for the risks involved; the physical and chemical response of ore to treatment may not be completely in accord with the design flow-sheet adopted; the capital and operating costs may be different to those estimated from the design and feasibility study; the equity and debt financing required to fund the development of new projects or expansion of existing projects may not be available or, if they are available, only be available on terms which are not sufficiently favourable to allow the development to proceed; the production rates of ore mined and processed may be different to those forecast in the design and feasibility study; and the product specification may be different to that expected from test-work and analysis at the design and feasibility stage.

12. The attraction and retention of skilled management and personnel

The success of the Enlarged CopperCo Group partially depends on its ability to attract and retain highly qualified management and personnel. The strong underlying economic conditions and mineral prices have led to a rapid growth in demand for technical skills in mining, metallurgy and geological sciences. The success of any resource development company is dependent upon the skills and efforts of a small group of management and technical personnel. An inability to retain key staff and attract new appropriately qualified staff is a risk to any such business. The loss of key people could potentially adversely affect the Enlarged CopperCo Group's performance.

13. Operating cost pressures

The strong mineral cycle and large number of projects being developed in the resources industry have led to increased demand for, and shortages in, contractors, materials and supplies that are required as critical inputs to the Enlarged CopperCo Group's existing operations and planned developments. Labour unions in some countries (e.g. South Africa) may seek to secure higher wages and

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salaries in the current environment. A number of key cost inputs consumed in the Enlarged CopperCo Group's operations are mineral price-linked and have consequently been affected by the higher mineral price environment. These factors have led, and could continue to lead to, increased capital and operating costs at existing operations, as well as affecting the cost and schedule of projects under development or to be developed in the future. Also, energy shortages and infrastructure bottlenecks in some countries may lead to unexpected interruptions to or delays in production or development and increased costs as a result of the competition for key inputs.

14. Industrial action

In some jurisdictions (including South Africa), some of the Enlarged CopperCo Group's operations (or the operations of entities in which it has invested) may be disrupted or subjected to increased operating costs as a result of industrial action or labour disputes. Significant labour disruptions may have a material adverse effect on the financial condition of the Enlarged CopperCo Group or its investee companies.

15. Operating risks in respect of the Enlarged CopperCo Group's operations and investments

The Enlarged CopperCo Group's operations and investments may be disrupted in the future by a variety of operational risks beyond its control such as environmental hazards, industrial accidents, technical failures, flooding and extended interruptions due to inclement or hazardous weather conditions, lack of available water for processing, earthquake activity, fires, access to appropriate logistical support and infrastructure, unusual or unexpected geological conditions, the risks associated with equipment and production and with the use of industrial chemicals. Operations in jurisdictions such as South Africa may also be subject to reduced productivity and increased medical and other costs as a result of the high incidence of the HIV/AIDS infection and related diseases among the workforce in such jurisdictions.

16. Reliance on receipt of regulatory approvals

The realisation of value and/or the development of some of the Enlarged CopperCo Group's projects requires the completion of studies and the grant of governmental approvals, consents and permits. Parties with an interest in the development and various governmental authorities may be able to effect the timing or grant of such approvals, consent or permits required for the progress of the mining project. Similarly, changes in the policy and procedures of relevant regulatory authorities and interpretation of laws may change or be applied in a different manner than has historically been the case and these may have adverse implications for the success of any development proposal, the method of realising value in an investment and the retention of title to these investments.

17. The uncertainty associated with resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made may change significantly when new information becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretation, which may prove to be inaccurate. Should the Enlarged CopperCo Group encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way that could affect the Enlarged CopperCo Group's operations.

18. General economic conditions

The Enlarged CopperCo Group and its business may be affected by general economic conditions (including for example, interest rates and inflation). Changes in the economic conditions in the markets in which the Enlarged CopperCo Group operates (arising from whatever cause) may have an adverse effect on the Enlarged CopperCo Group's financial performance and the price of existing CopperCo Shares and New CopperCo Shares.

19. Effect of native title and indigenous land rights

Both the Native Title Act 1993 (Commonwealth of Australia), related State Native Title legislation and indigenous land rights and indigenous heritage legislation (or similar legislation in other jurisdictions) may affect the Enlarged CopperCo Group's operations. Compensatory obligations may be necessary in settling native title claims if lodged over any of the Enlarged CopperCo Group's tenements. The existence of outstanding native title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of the claim. The level of impact of these matters will depend, in part, on the location and status of the tenements held by the Enlarged CopperCo Group.

20. Health, safety and environmental risks

The Enlarged CopperCo Group operates in an industry that is subject to numerous mining health, safety and environmental laws and regulations as well as community expectations. Evolving regulatory standards and expectations can result in increased litigation and/or increased (or significant and unexpected) costs, all of which can have a material and adverse effect on earnings and cash flows. Resource companies and projects in which the Enlarged CopperCo Group has invested or may invest may be subject to and required to provide guarantees in respect of rehabilitation costs, clean-up costs or liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. The Enlarged CopperCo Group may also encounter resistance to its projects from environmental lobby and pressure groups which can cause significant delay and disruption.

RISKS RELATING TO THE ACQUISITION

21. Reliance on publicly available information

The Enlarged CopperCo Group has only had access to publicly available information relating to the listed companies in which it will have material investments (following the Acquisition) and the determination of the value of those investments is largely dependent on the reliability of publicly available information on the relevant companies. Any inaccuracy could adversely affect the anticipated results of the Enlarged CopperCo Group. Also, CopperCo and its advisers have had limited access to Minsec's information and documentation and have, therefore, performed limited due diligence only on such information or documentation. Nothing in this risk factor limits or qualifies the responsibility of CopperCo or the CopperCo Directors for the information contained in this document, as required pursuant to paragraph 5.5 of the Prospectus Rules and Part VI of FSMA.

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22. Potential negative pricing pressure as a result of the Acquisition

Under the Offer, CopperCo will issue a significant number of New CopperCo Shares. Some recipients of New CopperCo Shares (including but not limited to those who receive New CopperCo Shares under the redemption provisions referred to in paragraph 7.8 of Part I) may not intend to continue to hold their CopperCo Shares and may wish to sell them on ASX. There is a risk that the sale of such holdings may adversely affect the price of CopperCo Shares. The procedure for unmarketable shareholdings described in paragraph 7.9 of Part I may also result in negative pricing pressure for CopperCo Shares.

23. Exposure to higher risk assets following the Acquisition

Currently, CopperCo Shareholders have a 100% interest in the cash producing Lady Annie Project. As a result of the Acquisition, the interest of CopperCo Shareholders in Lady Annie will be diluted and CopperCo Shareholders will gain exposure to a range of mining projects which are at an earlier stage in their development. Accordingly, there is a larger degree of uncertainty surrounding these mining projects, including a risk that they will not reach production stage for some time, if at all. The failure of these assets to produce income could have a material adverse effect on the future price of CopperCo Shares.

24. Potential effect of the disposal of CopperCo Treasury Shares

Minsec currently holds approximately 18% of CopperCo. It also has a right to be issued further CopperCo Shares under the Zambezi swap arrangements. If the Acquisition proceeds, then Minsec's stake will be cancelled or disposed of within 12 months of the Acquisition to ensure compliance with Australian law. The method of disposal has not yet been determined, but it could take the form of a cancellation or buy-back (with CopperCo Shareholder approval) or a rights issue or placement. There is a risk that the disposal of the stake by way of rights issue or placement could have an adverse effect on the market price of CopperCo Shares.

25. Uncertainty as to the value of the consideration under the Offer

The Offer exchange ratio of 2.2 CopperCo Shares for each Minsec Share was fixed at the time of the Announcement. Since the market value of CopperCo Shares fluctuates over time, the value to be received by Minsec Shareholders will fluctuate between the date of the Offer and the date on which CopperCo Shares are issued to Minsec Shareholders. Minsec Shareholders who accept the Offer will therefore not know the exact value of the consideration for their Minsec Shares until they receive that consideration.

26. The effect of change of control provisions which may be triggered by the Acquisition

Minsec may be a party to agreements that contain change of control or similar provisions that may be triggered in connection with the Acquisition. The operation of these change of control or similar provisions, if triggered, could result in unanticipated expenses or adversely affect Minsec's or the Enlarged CopperCo Group's results of operations and financial condition.

27. Specific risks associated with the assets held through Minsec

Specific risks associated with the Enlarged CopperCo Group's assets which will be held through Minsec include:

(i) delay in completion of the permitting process, with the possibility of legal challenges by third parties, for the Sappes gold project, and if permitting is successful, risks associated with financing, development and operation of mining projects (as described above) including obtaining surface and access rights;

(ii) possible failure to demonstrate the economic viability of the Lady Loretta Project and, if viability is determined, risks associated with the financing, development and operation of mining projects (as described above) in circumstances where the Enlarged CopperCo Group, as a non-operating partner, has little influence;

(iii) recent changes to the laws of Kazakhstan, which create uncertainty for the Vostok copper project; and

(iv) Buka Gold has greatly reduced production, and is now focused on exploration making the company subject to the risks associated with mineral exploration as described above.

RISKS RELATING TO COPPERCO SHARES

28. Possible volatility of the price of CopperCo Shares

The market price of CopperCo Shares may be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding CopperCo Shares (or securities similar to them), regulatory changes affecting the Enlarged CopperCo Group's operations, variations in operating results, business developments or the Enlarged CopperCo Group's competitors, the operating and share price performances of other companies in the industries and markets in which the Enlarged CopperCo Group operates or speculation about the Enlarged CopperCo Group's business in the press, media or investment community. The Enlarged CopperCo Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Furthermore, stock markets have from time to time experienced significant price and volume fluctuations that have affected market prices for securities but which may be unrelated to the Enlarged CopperCo Group's operating performance or prospects, such as market sentiment or general worldwide economic conditions (including the recent significant global downturn in equity markets). Any of these events could result in a decline in the market price of CopperCo Shares.

29. Uncertainty as to future dividends

The ability of CopperCo to pay dividends on the CopperCo Shares in the future depends on its profitability and the extent to which, as a matter of law, it has sufficient distributable reserves out of which any proposed dividend may be paid. CopperCo's ability to pay future dividends is also dependent upon receipt by it of dividends and other distributions from its subsidiaries and investments. CopperCo can give no assurances that it will be able to pay dividends in the future.

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30. The effect of future share issues

CopperCo may decide to offer additional CopperCo Shares in the future. An additional offering or significant sales of CopperCo Shares by major shareholders could have an adverse effect on the market price of CopperCo Shares.

31. CopperCo Shares are listed on ASX but not on AIM or any other securities exchange

CopperCo Shares are listed on ASX but are not listed on AIM or on any other securities exchange. This could, potentially, affect the liquidity of CopperCo Shares when compared to shares (such as the Minsec Shares) which are listed on more than one securities exchange.

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FORWARD LOOKING STATEMENTS

This document contains forward-looking statements that involve risks and uncertainties. The Enlarged CopperCo Group's actual results could differ materially from those anticipated in such forward-looking statements as a result of many factors, including, without limitation, the risks faced by the Enlarged CopperCo Group, which are described above.

Each forward-looking statement contained in this document speaks only as of the date of the particular statement. Save for any revisions or updates which the Company is required to make pursuant to the Prospectus Rules, the ASX Listing Rules or any applicable regulation or law, CopperCo expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in CopperCo's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. You should read the whole of this document and not rely solely on the information set out in this part of the document.

FINANCIAL INFORMATION

Unless otherwise indicated, financial information in this prospectus has been presented in US$ or A$ as appropriate and has been prepared in accordance with IFRSs as described in the relevant Basis of Preparation note.

The CopperCo financial information in Section B of Part II and the Consolidated Minsec Group financial information in Section D of Part II has been audited. No material amendments have been made to the underlying financial statements although the financial statements used to prepare the CopperCo financial information in Section B of Part II and the Consolidated Minsec Group financial information in Section D of Part II had been audited. The complicated history of the Consolidated Minsec Group means that the 2007 financial information relates to Minsec, the 2006 financial information to Scarborough and the 2005 financial information to Buka Minerals. Financial information for 2005 relating to the other constituents of the Three-Way Merger, Danae and Greenwich, has been incorporated from the Three-Way Merger Prospectus by reference.

No other information in this document has been audited and this document also includes the following unaudited information:

(a) The Half Year reports of CopperCo and Minsec which are reproduced without material amendment in Sections E and F of Part II are unaudited but had each been subject to an independent review.

(b) The information in the CopperCo statement of Capitalisation and Indebtedness in paragraph 21 of Part V which has been extracted from the CopperCo Group's accounting records.

(c) Current valuations which have been prepared as at 20 June 2008 being the latest practicable date prior to the publication of this document.

TIMETABLE OF EVENTS

Event	*Time/date*
Record date for determining whether a Minsec Shareholder is an Unmarketable Parcel Holder	5.00 p.m. on 26 June 2008 (Australian EST)
First closing date of the Offer	10.00 a.m. on 1 August 2008
Earliest date the Offer can close for acceptances	10.00 a.m. on 15 August 2008[1]
Latest date the Offer can become unconditional as to acceptances	10.00 a.m. on 1 September 2008
Latest date by which all conditions must be satisfied	10.00 a.m. on 22 September 2008[2]
Latest date New CopperCo Shares can be despatched	10.00 a.m. on 6 October 2008[3]
Latest date cash pursuant to the Cash Election can be despatched	10.00 a.m. on 15 November 2008[4]

[1] Assumes that the Offer is declared unconditional as to acceptances following the first closing date of the Offer.

[2] Assumes that the Offer is declared unconditional as to acceptances on the latest possible date.

[3] Assumes that the Offer is declared wholly unconditional on the latest possible date, and receipt of an acceptance complete in all respects.

[4] Assumes that the Offer is declared wholly unconditional on the latest possible date, receipt of an acceptance complete in all respects and the New CopperCo Shares being issued to the CopperCo Nominee on the latest date New CopperCo Shares can be dispatched.

These times and dates are indicative only. The period during which the Offer is open for acceptance may be extended by CopperCo in certain circumstances (see the terms and conditions of the Offer in Part IV of this document).

If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement through a Regulatory Information Service in the UK and an ASX announcement.

Unless otherwise stated, all references in this document to times are to **London times**.

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COPPERCO DIRECTORS, COMPANY SECRETARY AND ADVISERS

CopperCo Directors

Name	*Function (Proposed function)*
Keith Stuart Liddell	*Non-Executive Chairman (Chief Executive Officer)*
Brian James Rear	*Managing Director*
Richard John Basham	*Non-Executive Director*
The Hon. John Colinton Moore AO	*Non-Executive Director*
Peter John Patrikeos	*Non-Executive Director*

Company Secretary	Phillipus Hartog
Registered Office	Level 22, Allendale Square 77 St Georges Terrace Perth, Western Australia 6000
Financial Adviser to CopperCo	UBS AG, Australia Branch Level 16, Chifley Tower 2 Chifley Square Sydney, New South Wales 2000
Australian Legal Adviser to CopperCo	Cochrane Lishman Level 12, London House 216 St Georges Terrace Perth, Western Australia 6000
UK Legal Adviser to CopperCo	Reed Smith Minerva House 5 Montague Close London SE1 9BB
Auditors to CopperCo and Reporting Accountant	Ernst & Young 11 Mounts Bay Road Perth, Western Australia 6000
Minsec's Registrars	Computershare Investor Services (Channel Islands) Limited Ordnance House 31 Pier Road St Helier, Jersey JE4 8PW Computershare Investor Services PLC The Pavilions Bridgewater Road, Bristol BS13 8AE Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth, Western Australia 6000
CopperCo's Registrar	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth, Western Australia 6000
UK Receiving Agent and Escrow Agent	Computershare Investor Services PLC Corporate Action Projects The Pavilions Bridgewater Road, Bristol BS13 8AE
Australian Receiving Agent and Escrow Agent	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth, Western Australia 6000
CopperCo Nominee	UBS AG, Australia branch Level 16, Chifley Tower 2 Chifley Square, Sydney New South Wales 2000

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PART I

THE OFFER AND THE ENLARGED COPPERCO GROUP

1. Overview of the Enlarged CopperCo Group

CopperCo is an Australian public company listed on the ASX.

1.1 ***CopperCo's history***

In June 2004, CopperCo (then named Avon Resources Limited) entered into a four-way transaction by which it acquired 100% of the Lady Annie Project.

Following the transaction, the Company changed its name to CopperCo Limited to reflect its focus on copper exploration and exploitation and Brian Rear was appointed managing director of CopperCo.

The acquisition of the Lady Annie Project provided CopperCo with the opportunity to develop the Company into a high margin copper producer in just over three years, with the first cathode produced on 27 September 2007 and the first shipment during the following month.

1.2 ***Minsec's history***

Minsec, the holding company of the Minsec Group, is an ASX and AIM listed resource investment company which was created for the purposes of acquiring Minsec Australia in June 2007 and Scarborough in July 2007. Scarborough had itself been created by Robert Champion de Crespigny AC in April 2006 through the Three-Way Merger of Greenwich Resources plc, Buka Minerals and Danae. Minsec Australia had been founded by Keith Liddell in 2001.

Minsec makes early stage investments in resource companies and projects with a focus on identifying undervalued or emerging resource projects that can be developed into successful and viable operations. It currently has investments in Australia, Chile, China, Greece, Kazakhstan, Kyrgyzstan, Mozambique, South Africa and Zambia.

2. Principal activities of the Enlarged CopperCo Group

Since 2004, CopperCo's principal activity has been the identification, development and now exploitation of mineraliferous tenements in Queensland. The acquisition of Minsec will add several other mid-stage and early stage projects, mainly in Australia, as well as a portfolio of investments in mineral companies with interests in all continents other than North America and Antarctica of which the most significant is the holding in Platmin.

2.1 ***Core Project – Lady Annie***

The Lady Annie Project is located approximately 120 km north of Mount Isa in Queensland, Australia. The mine employs heap leach SX-EW technology.

Lady Annie is currently producing at an annualised rate of 19,000 tpa of copper cathode and CopperCo is aiming to increase capacity above the 25,000 tpa level in late December 2008. CopperCo has also decided to install an additional 5,000 tpa capacity during the current construction program lifting the annual copper cathode production capacity to 30,000 tpa. The eventual increase to the 30,000 tpa level is subject to the finalisation of current studies into mine planning options and receipt of final regulatory approvals.

Further summary information in respect of the Lady Annie Project is contained in paragraph 3 of Part III of this document. More detailed information is contained in the Technical Report in Part VI.

2.2 ***Core investment – Platmin***

Platmin, which completed a successful US$46 million initial public offering and listing on both AIM and the TSX in August 2006, is exploring and developing four PGM projects on the Bushveld complex of South Africa, the source of approximately 72% of the world's annual platinum production. Platinum group metals are a key ingredient in automobile catalytic converters, which reduce emissions of greenhouse gases. Platmin's attributable share of resources in these projects is 17.13 million ounces of 4E.

Platmin's projects are notable for their shallow nature (Pilanesberg will be mined by open pit methods for at least its first 15 years and the Mphahlele resource by shallow underground methods), which allows rapid development in a strong platinum market, and for the favourable metallurgical characteristics of the ores which will make the concentrates to be produced an attractive feed for smelters, or for a stand-alone smelter.

Platmin aims to develop the projects sequentially to become a substantial mid-tier PGM producer by 2010.

The first project, Pilanesberg, was the subject of a positive feasibility study in July 2007. A bridge loan facility has been secured to fund the further development of the Pilanesberg mine and initial production is expected in the first quarter of 2009, with an ultimate projected extraction capacity of 250,000 ounces per annum (4E).

The Mphahlele project, located on the easterly strike extensions of Lonmin's Limpopo operations, is a larger project. A pre-feasibility study on the 12.5 million ounce (4E) resource is due for completion in 2008.

A pre-feasibility study is also being undertaken on the 3.0 million ounce (4E) Grootboom project and early production options for that project are being evaluated.

Minsec has been a significant investor in Platmin since before its flotation and Keith Liddell is currently deputy chairman. In late 2007, Minsec increased its stake with the purchase of 4,000,000 shares for a consideration of C$39,600,000. In January 2008, Minsec purchased 316,904 common shares in Platmin from Keith Liddell for a price of approximately £4.00 per share. As at 20 June 2008 (being the latest practicable date prior to the date of this document) Minsec held 19,546,674 shares in Platmin representing approximately 17.52% of the issued share capital of Platmin.

2.3 ***Mid-stage projects***

Technical Reports

Whilst a Technical Report describing in detail the Lady Annie Project is set out in Part VI of this document, the CopperCo Directors have determined not to commission technical reports for other projects (of which Lady Loretta and Sappes are the most significant) on the basis that they consider that these projects are not material in the context of the Enlarged CopperCo Group. In making this determination, the CopperCo Directors have considered, amongst other factors, the following valuations prepared by KPMG on 28 March 2008 in respect of Minsec's Lady Loretta and Sappes projects ("KPMG Valuations"):

	Value Range – A$000,000	*Preferred Value – A$000,000*
Lady Loretta	127.7 – 217.1	177.8
Sappes	37.8 – 95.0	66.0

The KPMG Valuations were contained in an independent expert's report dated 28 March 2008 commissioned by CopperCo and prepared by KPMG solely for the purpose of assisting CopperCo's non-associated shareholders in considering whether or not to vote in favour of a resolution at the extraordinary general meeting of CopperCo Shareholders on 16 May 2008 which was required under ASX Listing Rule 10.1 in relation to the Acquisition. The KPMG Valuations were not prepared for the purpose of this document.

The KPMG Valuations were prepared in accordance with the relevant provisions of the Corporations Act, as amended, and other applicable Australian regulatory requirements. Shareholders of foreign jurisdictions who are uncertain as to the consequences of this should seek their own independent professional advice.

Summary descriptions of the Lady Loretta and Sappes projects can be found below and at paragraph 4 of Part III of this document.

Sappes and Lady Loretta

Minsec is currently working on bringing both these projects to a stage where mine development can start. Sappes, a wholly owned Minsec project, is a gold deposit in north-eastern Greece where feasibility studies show projected production of 100,000 ounces per annum with operating costs of less than US$250/oz.

The timing of the development of Sappes is influenced by the permitting process with the relevant Greek authorities. Minsec has formed the view that the successful development of the project will also be aided by the presence of a local partner. Discussions with potential partners are ongoing and it is hoped to finalise these in 2008. Thereafter, the permitting process and preparation of a revised feasibility study would occur in 2009, with design, construction and commissioning in 2010/11, with first ore production potentially occurring in 2011. Given the early stage of this project, it is not possible to predict an expected period of working for this deposit.

Minsec also currently holds a 25% interest in Lady Loretta, which is a high grade zinc (with lead and silver) deposit adjacent to the Lady Annie Project. Feasibility studies in conjunction with the majority partner and operator of Lady Loretta, a subsidiary of Xstrata, are ongoing.

The development of Lady Loretta is dependent on several factors currently being investigated by the joint venture partners. Finalising of feasibility study inputs and reviewing development plan options is ongoing. It is currently anticipated that agreement may be reached at some point in 2008, though this could be impacted upon by the success of the Acquisition which is expected to bring significant operational, infrastructure and cost synergies that have not been included in the studies to date. Should a development decision occur in 2008, detailed design, implementation and financing could occur in 2009 with first production forecast for 2011.

2.4 ***Early-stage projects – Gympie (Buka Gold), Qixia and Australis***

Minsec is currently involved in three discrete early stage projects. At Mt Scotchy near Gympie in Queensland, Minsec's 58.23% subsidiary, Buka Gold, is exploring new targets and a major historic goldfield over which it has title. Buka Gold is separately listed on the ASX and operates autonomously although its executive chairman has recently been appointed chief financial officer of Minsec. Buka Gold's exploration is funded by its cash reserves augmented by sales of gold production from its Monkland Mine.

At Qixia, Minsec is exploring 180 km^2 of Shandong Province in eastern China for gold in a joint venture. Pursuant to the joint venture agreement, Minsec is entitled to up to 75% of the profits generated in the project.

Australis, which is indirectly wholly owned by Minsec, has permit applications covering approximately 36,000 km^2 of the Georgina Basin to the west of Mount Isa.

Australis and Qixia are funded from Minsec's working capital resources.

We refer to the working capital statement at paragraph 20 of Part V regarding Lady Loretta's ongoing expenditure requirements.

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2.5 ***Associates***

Minsec's interests in Tianshan, Mineral Sands, NiPlats and Herencia are classed as associates due to the influence Minsec exerts through the size of its holding and its board representation. These interests are summarised in the table below.

	% owned	*Overview*	*Place of operation*	*ASX/AIM code*
Tianshan Goldfields Limited	27.64%	Exploring and evaluating the Gold Mountain Project	China	AIM & ASX – TGF
Herencia Resources plc	46.00%	Identifying resource opportunities in South America	Chile	AIM – HER
Mineral Sands Limited	34.47%	Exploring for heavy mineral sands and gold	WA, VIC, NSW QLD, Australia	ASX – MSN
NiPlats Australia Limited	40.11%	A mineral exploration company with projects in the Kimberley region of Western Australia, having a fluorspar resource at pre-feasibility stage and vanadium and PGM's at early exploration stage.	Western Australia	ASX – NIP

2.6 ***Other investments***

The CopperCo Group and Minsec Group will own a number of investments in quoted and unquoted companies. The table below sets out only those investments with a value of A$1,000,000 or more as at 20 June 2008 (being the latest practicable date prior to the date of this document). The intention is to continue Minsec's programme of disposal of its non-core assets.

Listed	*% owned*	*Overview*	*Place of operation*	*ASX / AIM code*
Baobab Resources plc	7.68%	Mozambique-focused base and precious metals mining exploration company	Mozambique	AIM – BAO
Universal Resources Limited	7.23%	Developing the Roseby open pit copper in concentrate project near Mt Isa in Queensland Australia	Australia	ASX – URL
Chaarat Gold Holdings Ltd	9.46%	Gold exploration project at resource definition stage	Kyrgyzstan	AIM – CGH
Zambezi Resources Limited	5.26%	Exploring and developing resource projects in Southern Zambia	Zambia	AIM/ASX – ZRL
Unlisted				
Unity Power plc	2.05%	Owner of the Unity Coal Mine at which it is hoped to increase production to one million tpa.	UK	N/A
Multiplex Resources Kazakhstan Ltd	15.00%	Oxide copper project in Vostok at evaluation stage	Kazakhstan	N/A

3. Principal markets

CopperCo's principal product is LME Grade 'A' copper cathode, the sale of which commenced in October 2007 generating A$43.45 million of sales in the nine months ended 31 March 2008.

CopperCo has entered into an offtake agreement with Glencore for all copper cathode produced by the Lady Annie Project over the mine's life. Under the agreement, CopperCo receives the LME cash settlement price averaged over the quotational period plus a premium benchmarked to the official long term contract premium as announced annually by Codelco.

CopperCo has hedged 34,100 tonnes of copper cathode production over 31 months from January 2008 at A$7,054 per tonne and a further 450 tonnes per month from April 2009 to July 2010 for A$7,940/t. Further details of CopperCo's existing hedging arrangements are contained in paragraph 10.6(d) of Part III of this document.

In addition, Minsec's partially owned subsidiary, Buka Gold, produces small amounts of gold (less than 10,000 ounces per annum) which is sold on the spot market. Minsec also receives fees for providing its employees' services to investee and other companies.

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A breakdown of total revenues by category of activity for both CopperCo and the Consolidated Minsec Group is as follows:

	CopperCo Group				*Consolidated Minsec Group*			
	6 months (unaudited) ended 31 Dec 2007 A$000	*Year ended 30 Jun 2007 A$000*	*15 months ended 30 Jun 2006 A$000*	*Year ended 30 Jun 2005 A$000*	*6 months (unaudited) ended 31 Mar 2008 US$000*	*Year ended 30 Sep 2007 US$000*	*Year ended 30 Sep 2006 US$000*	*Year ended 30 Jun 2005 US$000*
Sales of metal	23,352	—	—	—	2,225	5,159	8,635	—
Interest income	218	1,266	351	121	639	1,923	1,345	301
Exceptional gain on option liabilities	—	—	—	—	10,114	7,614	—	—
Other revenue	—	711	2	—	1,254	402	—	—
Total	23,569	1,977	353	121	12,232	15,078	9,980	301

4. Current trading and prospects

Since 31 December 2007, production of copper and CopperCo's related costs have been in line with expectations.

5. Mineral Resource and Ore Reserves summaries

5.1 *Lady Annie*

The global Mineral Resource for the Lady Annie Project is 39.96 Mt at 0.9% Cu for 358,700 tonnes of contained copper metal. The table below shows the copper Mineral Resource estimate for the Lady Annie Project as at December 2007 using a 0.3% Cu lower cut off for Lady Annie and a 0.2% Cu lower cut off for the Mount Kelly ore bodies.

	Measured		*Indicated*		*Inferred*		*Total Mineral Resource*		
Deposit	*Tonnes*	*Cu %*	*Tonnes*	*Cu %*	*Tonnes*	*Cu %*	*Tonnes*	*Cu %*	*Cu Tonnes*
Oxide Resources									
Lady Annie	6,994,000	1.2	2,407,000	0.9	1,710,000	0.8	11,111,000	1.1	120,900
Lady Brenda	—	—	—	—	1,126,000	0.5	1,126,000	0.5	5,400
Mount Clarke	2,501,000	0.9	3,688,000	0.7	154,000	0.6	6,343,000	0.8	51,100
Flying Horse	1,198,000	0.7	3,044,000	0.6	885,000	0.7	5,127,000	0.6	33,100
Mount Kelly Workings	—	—	129,000	0.7	83,000	0.6	212,000	0.7	1,400
Swagman	128,000	0.6	170,000	0.6	61,000	0.5	359,000	0.6	2,100
Anthill	—	—	1,055,000	1.0	1,910,000	1.2	2,965,000	1.1	33,300
Oxide Sub-Total	10,821,000	1.1	10,493,000	0.7	5,929,000	0.8	27,243,000	0.9	247,300
Sulphide Resources									
Lady Annie	4,905,000	0.8	2,483,000	0.9	1,556,000	0.8	8,944,000	0.9	77,700
Lady Brenda	—	—	—	—	763,000	0.7	763,000	0.7	5,100
Flying Horse	220,000	0.5	638,000	1.1	1,217,000	0.9	2,075,000	0.9	18,700
Anthill	—	—	—	—	935,000	1.1	935,000	1.1	9,900
Sulphide Sub-Total	5,125,000	0.8	3,121,000	0.9	4,471,000	0.9	12,717,000	0.9	111,400
TOTAL RESOURCE	15,946,000	1.0	13,614,000	0.8	10,400,000	0.9	39,960,000	0.9	358,700

Note: Figures used are rounded

The Ore Reserve for the Lady Annie Project is 15.3 Mt at 0.94% for 144,010 tonnes of contained copper metal. The following table shows the Lady Annie Project Oxide Reserve as at June 2008.

	PROVED RESERVES			*PROBABLE RESERVES*			*TOTAL RESERVES*		
Pit Name	*Ore Tonnes*	*Grade (% Cu)*	*Cont. Cu Tonnes*	*Ore Tonnes*	*Grade (% Cu)*	*Cont. Cu Tonnes*	*Ore Tonnes*	*Grade (% Cu)*	*Cont. Cu Tonnes*
Lady Annie	6,392,000	1.24	79,470	1,794,000	1.01	18,110	8,186,000	1.19	97,580
Mount Clarke	2,389,000	0.65	15,600	821,000	0.71	5,830	3,210,000	0.67	21,430
Flying Horse	1,067,000	0.62	6,600	2,370,000	0.63	15,050	3,437,000	0.63	19,260
Kelly Workings	—	—	—	85,000	0.70	590	85,000	0.69	590
Swagman	131,000	0.62	820	143,000	0.60	860	274,000	0.61	1,680
ROM Stockpile	70,000	0.79	550				70,000	0.79	550
TOTAL	10,068,000	1.03	103,220	5,270,000	0.77	40,790	15,338,000	0.94	144,010

Note: Figures used are rounded

The Ore Reserves figures are based on the following assumptions:

- 5% mining dilution;
- 98% mining recovery;
- 89% metallurgical recovery; and
- copper price of US$3.00/lb.

Competent Persons' statements in respect of this information are set out at paragraph 24.3(d) of Part V of this document.

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5.2 ***Lady Loretta***

The global Mineral Resource for the Lady Loretta project is 13.7Mt at 17.0% Zinc, 5.8% Lead and 96 g/t Silver. The table below shows the Mineral Resource estimate for the Lady Loretta Project as at October 2006 using a cut-off of US$35 per tonne Net Smelter Return.

Mineral Resources	*Tonnes millions*	*Zn %*	*Pb %*	*Ag g/t*
Measured	7.5	17.4	6.7	105
Indicated	5.1	16.3	4.7	84
Inferred	1.1	16.9	4.6	86
TOTAL	13.7	17.0	5.8	96

Note:

1. Information as of October 2006. Estimated above a US$35 per tonne Net Smelter Return cut-off.
2. A technical report compliant with Canadian rule NI 43-101 and respecting JORC Code was prepared in March 2007. Additional diamond drilling consisting of two drill holes was conducted in March and April 2007 and aimed to produce core for further metallurgical testing. Mineralised intersections were narrower than expected but are considered to have no significant impact on the overall resource estimate for the deposit.

A Competent Person's statement in respect of this table is set out at paragraph 24.3(e) of Part V.

5.3 ***Sappes***

The table below shows the Mineral Resource estimate for the Sappes project prepared in July 2003 and last updated in July 2007 based on a gold price of US$550/ounce.

Mineral Resources and Ore Reserves	*Tonnes '000*	*Au Grade g/t*	*Cu Grade %*	*Ag Grade g/t*
Viper				
Measured	710	22.2	0.40	11.5
Indicated	280	19.5	0.35	9.0
St Demetrios				
Measured	730	3.5	—	3.2
Indicated	50	2.6	—	2.8
Scarp				
Measured	820	2.2	—	1.5
Indicated	50	1.7	—	1.1
Ore Reserve				
Viper				
Probable	800	21.5	0.35	9.9
St Demetrios				
Proved	200	3.5	—	5.2
Probable	10	3.6	—	4.4

Measured and Indicated Mineral Resources are reported inclusive of those Mineral Resources modified to produce ore reserves.

A Competent Person's statement in respect of this table is set out at paragraph 24.3(f) of Part V.

5.4 ***Buka Gold***

The following table is extracted from Buka Gold's Annual Report for the period ended 30 September 2007.

Mineral Resources and Ore Reserves as at 30 September 2007

	September 2007		
	Tonnes	*Grade g/t*	*Gold ozs*
Measured Resource	5,690	9.9	1,811
Indicated Resource	22,500	9.6	6,953
Inferred Resource Monkland mine	38,500	9.1	11,212
Inferred Resource near mine	73,000	11.8	27,695
Inferred Resource	111,500	10.9	38,907
Total Resource	139,690	10.6	47,671
Proved Reserve	16,900	8.8	4,758
Probable Reserve	5,499	6.3	1,116
Total Ore Reserve	22,400	8.2	5,874

A Competent Person's statement in respect of this table is set out at paragraph 24.3(g) of Part V.

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6. Selected historical financial information

6.1 *The CopperCo Group*

Certain key financial information concerning the CopperCo Group is set out in the table below and has been extracted without adjustment from the CopperCo financial information.

	Six months ended 31 December 2007 (unaudited) A$000	*Year ended 30 June 2007 A$000*	*Year ended 30 June 2006 A$000*	*Year ended 30 June 2005 A$000*
Revenue from ordinary activities	23,352	—	—	—
Other revenue	218	1,283	353	121
Profit (loss) before income tax	584	(77,072)	(7,885)	(2,338)
Income tax (expense) benefit	(850)	21,423	4,282	—
Net profit (loss)	(266)	(55,649)	(3,603)	(2,338)
Total assets	209,658	141,275	94,889	36,444
Total liabilities	(148,932)	(90,407)	(17,590)	(7,684)
Net assets	60,726	50,868	77,299	28,760

6.2 *The Consolidated Minsec Group*

Certain key financial information concerning the Consolidated Minsec Group is set out in the table below and has been extracted without adjustment from the Consolidated Minsec Group financial information.

	Six months ended 31 March 2008 (unaudited) US$000	*Year ended 30 September 2007 US$000*	*15 months ended 30 September 2006 US$000*	*Year ended 30 June 2005 US$000*
Revenue from ordinary activities	3,479	5,561	8,635	—
Profit (loss) before exceptional items	(9,984)	(8,813)	890	851
Exceptional items	9,652	84,947	(20,523)	—
Income tax (expense) benefit	(220)	(220)	455	—
Net profit (loss)	(552)	75,914	(19,178)	851
Total assets	345,278	348,174	97,429	16,482
Total liabilities	(60,160)	(45,156)	(5,321)	(191)
Net assets	285,118	303,018	92,108	16,291

7. The Offer

7.1 *The terms and conditions of the Offer*

CopperCo has offered to acquire the Minsec Shares on the following basis:

for each Minsec Share **2.2 New CopperCo Shares**

Fractions of New CopperCo Shares will not be allotted or issued pursuant to the Offer. Fractional entitlements to New CopperCo Shares will be rounded down to the nearest whole number.

The Offer will initially remain open for acceptance until 10.00 a.m. (London time) on 1 August 2008, but may be extended in accordance with the terms and conditions of the Offer set out in Part IV of this document. The Independent Directors of Minsec unanimously recommend that Minsec Shareholders accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo.

The CopperCo Shares are currently quoted on the ASX and an application will be made to the ASX for quotation of the New CopperCo Shares on the ASX. The New CopperCo Shares will, when issued, rank *pari passu* in all respects with the existing CopperCo Shares.

Valuation of the Offer as at 20 June 2008

Based on the closing price of CopperCo Shares on the ASX on 20 June 2008 (being the latest practicable date prior to the publication of this document) of A$0.60:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$208 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries pursuant to the arrangements described in paragraph 7.2 of this Part I, gives a value of approximately A$222 million;

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- the Offer values each Minsec Share at A$1.32 which equates to a premium of approximately 13.8% to A$1.16 (being the closing price of Minsec Shares on the ASX on the latest practicable date prior to the publication of this document); and
- the Offer equates to premiums of approximately 13.6% and 9.5% to the average Closing Prices on AIM of 56 pence per Minsec Share and of 58 pence per Minsec Share over the three and six months respectively prior to the date of this document assuming an exchange rate of 0.4824 (£: A$).

Valuation of the Offer as at 25 January 2008

Based on the closing price of CopperCo Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$0.65:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$225 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries pursuant to the arrangements described in paragraph 7.2 of this Part I, gives a value of approximately A$241 million;
- the Offer values each Minsec Share at A$1.43 which equates to a premium of approximately 2.1% to A$1.40 (being the price at which Minsec Shares last traded on the ASX on the last Australian business day prior to the date of the Announcement); and
- the Offer equates to a premium of approximately 5.9% to £0.605 (being the price at which Minsec Shares last traded on AIM on the last Business Day prior to the date of the Announcement and assuming an exchange rate of 0.4479 (£: A$)).

Number of CopperCo Shares to be issued

In aggregate, the maximum number of New CopperCo Shares that will be issued to Minsec Shareholders pursuant to the Offer, (including the New CopperCo Shares to be issued to the Minsec Optionholders and to the Minsec LTIP Beneficiaries in accordance with the arrangements described in paragraph 7.2 of this Part I) will be 370,362,515. Assuming acceptance in full of the Offer and the implementation in full of the arrangements described in paragraph 7.2 of this Part I with the Minsec Optionholders and the Minsec LTIP Beneficiaries, existing CopperCo Shareholders will hold approximately 52.8% and the Minsec Shareholders, the Minsec Optionholders and the Minsec LTIP Beneficiaries will together hold approximately 47.2% of the enlarged issued ordinary share capital of CopperCo (based on: (i) the issued ordinary share capital of CopperCo, excluding the CopperCo Treasury Shares; and (ii) the issued ordinary share capital of Minsec, excluding the Minsec Treasury Shares, in each case as at 20 June 2008, the latest practicable date prior to the publication of this document). In the 12 months following completion of the Acquisition, the percentages given above may differ depending on the ultimate treatment of approximately 92 million CopperCo Treasury Shares (further information on the treatment of the CopperCo Treasury Shares is set out in paragraph 7.4 of this Part I).

Clear title

The Minsec Shares will be acquired by CopperCo fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other interests and third party rights together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends and other distributions (if any) declared, paid or made in the future.

Conditions to the Offer

The Offer can only become effective if all of the conditions to the Offer, as set out in Part IV of this document, have been satisfied or waived (to the extent permissible). Those conditions include, *inter alia*, the acceptance of the Offer by holders of at least 80% of the Minsec Shares (or such lower percentage as CopperCo may decide) and the approval by CopperCo Shareholders of various aspects of the Offer. That approval by CopperCo Shareholders was obtained at an extraordinary general meeting of CopperCo held on 16 May 2008.

7.2 ***Minsec Share Options and Minsec LTIP***

CopperCo and Minsec have entered into separate agreements with each of the Minsec Optionholders to issue New CopperCo Shares in consideration for the release and cancellation of their Minsec Share Options. Further details in relation to these agreements are set out in paragraph 15 of Part V of this document.

The number of New CopperCo Shares to be issued to Minsec Optionholders has been determined by reference to the Black Scholes option valuation model, the closing price of Minsec Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$1.40 and the exchange ratio of the Offer of 2.2 New CopperCo Shares for each Minsec Share.

The number of New CopperCo Shares to be issued to Minsec Optionholders on cancellation of their Minsec Share Options is set out below:

Minsec Share Options	*Aggregate number of Minsec Shares under option*	*Number of New CopperCo Shares per option*	*Total number of New CopperCo Shares*
Class B	1,300,000	0.566	735,800
Class D	7,533,333	0.911	6,862,866
Class E	280,000	0.440	123,200
Class F	2,500,000	0.236	590,000
MESOS	5,160,000	0.456	2,352,960
NEDSOS 1	35,540	0.896	31,844
NEDSOS 2	61,757	0.880	54,346

In aggregate, approximately 10.8 million New CopperCo Shares will be issued to Minsec Optionholders on release and cancellation of their rights in respect of their Minsec Share Options.

Under the Minsec LTIP, each of Robert Champion de Crespigny AC and Keith Liddell were awarded entitlements to be issued a maximum of 3,840,000 Minsec Shares. Pursuant to clause 3.3 of the Bidding Agreement contained at Annexure E to the Announcement, each of Mr Champion de Crespigny AC and Mr Liddell have entered into an agreement with Minsec pursuant to which, on a change of control of Minsec as a result of the Offer, they will receive only 80% of their maximum entitlement under the Minsec LTIP, being 3,072,000 Minsec Shares respectively (the "Minsec LTIP Shares"). Their respective entitlements to the balance of the Minsec Shares will be terminated. The 6,144,000 Minsec Shares that will be issued under the Minsec LTIP will result in an offer of approximately 13,516,800 New CopperCo Shares.

Each of Robert Champion de Crespigny AC and Keith Liddell (and their respective nominees) have also entered into an agreement with CopperCo pursuant to which, with effect from the date that the Offer becomes or is declared wholly unconditional, their holdings of Minsec LTIP Shares and three quarters of the New CopperCo Shares for which the Minsec LTIP Shares will be exchanged (together the "Restricted Shares") will be subject to voluntary escrow arrangements for a period of 36 months. The Restricted Shares will not be released from escrow until the end of this period except in the following circumstances: to permit the holder to participate in a takeover bid or merger by way of scheme of arrangement (provided certain prerequisites are met which reflect the requirements of ASX Listing Rule 9.18); if the CopperCo Board consents to such release (which consent cannot be granted within the first 12 months of the escrow period); or if they are not appointed as a director (in the case of Robert Champion de Crespigny AC) or executive (in the case of Keith Liddell) of CopperCo or (in the case of Robert Champion de Crespigny AC) cease to be a director of CopperCo or Minsec or (in the case of Keith Liddell) cease to be a director and/or executive of CopperCo. Following the expiry of the escrow period, the New CopperCo Shares, issued as Restricted Shares, will be fully tradable.

7.3 ***Irrevocable undertakings***

The following Minsec Directors have given irrevocable undertakings to accept, procure the acceptance of or use reasonable endeavours to procure the acceptance of, the Offer, by not later than ten Business Days after the date this document is posted, in respect of the number of Minsec Shares set out below:

Name	*Number of Minsec Shares*	*Percentage of existing Minsec issued share capital*[1]
Robert Champion de Crespigny AC	7,746,259[2]	4.74%
Keith Liddell	10,633,710[2]	6.51%
Sir Bruce MacPhail	800,000	0.49%
Hon John Moore AO	544,641	0.33%
Stephen Phipps	844,408	0.52%
Nigel Hamway	340,000	0.21%
Total	20,909,018	12.79%

Note:

1 Assuming the cancellation of the Minsec Treasury Shares has taken place and that 3,072,000 shares have been issued to each of Robert Champion de Crespigny AC and Keith Liddell under the Minsec LTIP settlement.

2 Including the 3,072,000 shares to be received under the Minsec LTIP settlement.

The above named Minsec Directors have also given irrevocable undertakings to accept the Offer in respect of any Minsec Shares of which they may after the date of their undertaking become the registered holder and beneficial owner and to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares held by themselves and/or certain specified relatives.

The undertakings remain binding unless there is, *inter alia*, a superior proposal or a material adverse change in CopperCo.

7.4 ***Background to and reasons for the Offer***

The CopperCo Directors believe that the Offer gives the Minsec Shareholders an opportunity to exchange their investment in Minsec for an investment in the prospects of the Enlarged CopperCo Group at a discount.

The Enlarged CopperCo Group will be a diversified global resources company, with core assets comprising interests in base and precious metals including copper, zinc, lead, platinum and gold. In the opinion of the CopperCo Directors, the mix of producing and developing assets, commodities and locations will provide a well balanced mix of investments and projects for the Enlarged CopperCo Group and ultimately its shareholders.

The CopperCo Directors also believe that:

(a) the Lady Loretta Project in which Minsec has a 25% interest, being adjacent to CopperCo's Lady Annie Project north of Mount Isa in Queensland, will result in the Enlarged CopperCo Group having an increased base metals presence in North Queensland and may result in synergies for the Enlarged CopperCo Group;

(b) the Enlarged CopperCo Group will have an enlarged equity market presence, enhancing access to capital and better positioning CopperCo to pursue further consolidation opportunities in base and precious metals;

(c) if successful, the Offer will pool the skilled human resources of Minsec and CopperCo at a time when the Directors of both Minsec and CopperCo believe skills to be at a premium globally; and

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(d) CopperCo and Minsec share a common corporate culture which, if the Offer is successful, will facilitate the smooth and timely integration of Minsec with CopperCo.

The chairman of Minsec stated at the company's annual general meeting held on 19 February 2008 that Minsec has commenced the process of disposing of its non-core assets and will continue this as and when market conditions allow. CopperCo intends to follow the same approach and to reinvest any realised cash into the core assets of the Enlarged CopperCo Group, value enhancing acquisitions and selected exploration initiatives.

As at 20 June 2008 (the latest practicable date prior to the publication of this document), Minsec held approximately 18% of the undiluted issued ordinary share capital of CopperCo. Minsec's shareholding in CopperCo (being the CopperCo Treasury Shares) will be disposed of within 12 months of the Offer becoming or being declared wholly unconditional by either seeking the approval of CopperCo's shareholders to cancel or buy back the shares or by disposing of the shares by way of a rights issue or placement. The treatment of the CopperCo Treasury Shares will be decided within 12 months of the completion of the Acquisition and the final outcome will be dependent largely on the funding requirements of the Enlarged CopperCo Group at that time.

7.5 ***The Board of CopperCo***

At the time of the announcement of the proposed Offer on 29 January 2008, it was envisaged that those Minsec Directors who were not already CopperCo Directors would join the board of CopperCo on completion of the Offer.

The amount of time that has passed since the Announcement, due largely to jurisdictional complexities, has given the boards of both companies an opportunity to further consider the implementation and restructuring phase which will follow completion of the Offer. The key assets of the merged entity will lie in the southern hemisphere and the CopperCo Directors and the Minsec Directors now recognise that for effective operational management and cost reasons the Enlarged CopperCo Group will be headquartered in Australia.

It has therefore been agreed by the CopperCo Directors and the Minsec Directors that any decision by CopperCo to invite any of the current Minsec Directors to join the board of CopperCo will be deferred until after completion of the Offer. At that time CopperCo will be able to assess whether the company will be able to move to 100% ownership of Minsec via the compulsory acquisition mechanism. Furthermore, the acceptance of any such invitation will be subject to the personal circumstances of the relevant individuals at such time.

7.6 ***UK City Code on Takeovers and Mergers***

The Offer does not fall within the ambit of the City Code and is outside the jurisdiction of the UK Panel on Takeovers and Mergers because Minsec is incorporated and registered in the British Virgin Islands.

While the articles of association of Minsec contain provisions concerning conducting the Offer in accordance with the City Code, Minsec Shareholders will not have the benefit or the protection that the City Code would provide if it applied to the Offer.

As permitted by the articles of association of Minsec, the Minsec Board has consented to certain deviations from the requirements of the City Code. Subject to those and any further agreed deviations, Minsec and CopperCo intend to conduct the Offer in accordance with the City Code.

7.7 ***Overseas shareholders***

The attention of Overseas Shareholders is drawn to paragraph 7 of Section B of Part IV of this document.

The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Minsec Shareholders who are subject to the laws of any jurisdiction other than the UK, Australia, New Zealand, Hong Kong, the Republic of Ireland and Cyprus, should inform themselves about and observe any applicable legal and regulatory requirements in their jurisdiction.

The implications of the Offer for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who also agree to resell such securities only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance in or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance. Accordingly, neither this document, the Offer Document nor the accompanying Form of Acceptance and CDI Acceptance Form are being, and must not be issued, mailed or otherwise distributed or sent in, into or from a Restricted Jurisdiction, unless CopperCo, in its sole discretion, determines otherwise. Custodians, nominees and trustees should observe these restrictions and should not send or distribute this document or the accompanying documents in or into a Restricted Jurisdiction.

7.8 ***Cancellation of admission to AIM, cancellation of quotation on ASX and compulsory acquisition***

Minsec Shareholders should note that if the Offer becomes or is declared unconditional in all respects, CopperCo intends to procure the making of an application to the London Stock Exchange for the cancellation of the admission of the Minsec Shares to trading on AIM (if it receives valid acceptances in excess of 75% of Minsec Shares) and to the ASX for the cancellation of the quotation of the Minsec CDIs (if it receives valid acceptances in respect of 90% of Minsec Shares).

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If CopperCo acquires less than 100% of the Minsec Shares, CopperCo intends to take all necessary action to acquire compulsorily or have redeemed the remaining Minsec Shares (the "Minority Shares") on substantially the same terms as those offered under the Offer.

There are various methods under the laws of the British Virgin Islands by which CopperCo may obtain 100% of the issued and outstanding Minsec Shares following consummation of the Offer. These include (i) mandatory redemption of the Minority Shares pursuant to section 176 of the BVI Act at the instigation of a shareholder or shareholders holding 90% of the votes of the share capital of Minsec (the "Majority Shareholder(s)"); (ii) an arrangement pursuant to section 177 of the BVI Act; or (iii) a merger or consolidation pursuant to section 170 of the BVI Act. The timing and details of any Subsequent Acquisition Transaction will depend on a number of factors, including the number of Minsec Shares acquired pursuant to the Offer.

If the Offer becomes or is declared wholly unconditional and CopperCo acquires the Minsec Shares, it believes that it would own sufficient Minsec Shares to effect such Subsequent Acquisition Transaction. While CopperCo currently intends that the consideration offered under any Subsequent Acquisition Transaction would be the same as the consideration offered under the Offer, the consideration offered could ultimately be lower or higher.

Redemption of Minority Shares

Subject to Minsec's Constitution, section 176 of the BVI Act provides that the Majority Shareholder(s) may instruct Minsec to effect a redemption of Minority Shares. On receipt of such an instruction in writing, Minsec must redeem the Minority Shares irrespective of whether or not the shares are by their terms redeemable.

Upon receiving directions from the Majority Shareholder(s) to redeem the Minority Shares in accordance with section 176 of the BVI Act, Minsec must make a written offer to each holder of Minority Shares (the "Minority Shareholders"), stating the redemption price and the manner in which the redemption is to be effected. Minsec should make this written offer to the Minority Shareholders as soon as possible after being instructed to redeem the Minority Shares so that the Minority Shareholders do not lose their rights to dissent to the redemption price being offered to them.

The redemption price offered for the redemption of shares held by Minority Shares may be a cash amount or an amount in non-cash consideration or partly in cash and partly in non-cash consideration.

Court sanctioned arrangement

An arrangement includes a transfer of Minsec Shares for shares, debt obligations or other securities in CopperCo, or money or other property, or a combination thereof. If the directors of Minsec determine that an arrangement is in the best interests of Minsec, its creditors or the Minsec Shareholders, they may approve a plan of arrangement. Minsec must then apply to the court for its approval of the proposed arrangement. The court will review the arrangement and will determine (amongst other matters) whether certain additional approvals (such as shareholder or creditor approval) must be obtained and whether dissent rights should be granted. The court may approve or reject the plan of arrangement as proposed or may approve the plan of arrangement with such amendments as it may direct.

If a court approves the plan of arrangement, the directors of Minsec may confirm the plan of arrangement as approved by the court. After the directors have confirmed the plan and obtained such approvals as may be required by the court, articles of arrangement (which include the plan of arrangement) are executed and filed with the Registrar of Corporate Affairs in the British Virgin Islands. The arrangement will become effective on its registration by the Registrar of Corporate Affairs (or up to thirty days thereafter if the plan of arrangement so provides).

Merger or consolidation

Two or more companies existing under the laws of British Virgin Islands may merge or consolidate in accordance with section 170 of the BVI Act. A merger under the BVI Act means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the consolidating of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation which must be authorised by a resolution of shareholders. The plan of merger or consolidation must include, among other things, the terms and conditions of the proposed merger or consolidation, including the manner and basis of cancelling, reclassifying or converting shares in each constituent company into shares, debt obligations or other securities in the surviving or consolidated company, or money or other assets, or a combination thereof.

After the plan of merger or consolidation has been approved by the directors and authorised by a resolution of the shareholders, articles of merger or consolidation are executed by each company and filed with the Registrar of Corporate Affairs in the British Virgin Islands. Articles of merger or consolidation must include the following:

(a) the plan of merger or consolidation and, in the case of a consolidation, the memorandum and articles of association of the consolidated company;

(b) the date on which the memorandum and articles of association of each constituent company were registered by the Registrar of Corporate Affairs; and

(c) the manner in which the merger or consolidation was authorised with respect to each constituent company.

Shareholders dissenting rights

Under section 179 of the BVI Act, a Minsec Shareholder may dissent from a mandatory redemption of their Minsec Shares pursuant to section 176 of the BVI Act, an arrangement (if permitted by the court) pursuant to section 177 of the BVI Act, a merger (unless the relevant shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) and a consolidation pursuant to section 170 of the BVI Act. A dissenting Minsec Shareholder properly exercising their dissent rights is entitled to payment of the fair value of their Minsec Shares.

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A Minsec Shareholder dissenting from a merger or consolidation under section 170 of the BVI Act must object in writing to the merger or consolidation before the vote by the Minsec Shareholders on the merger or consolidation, unless notice of the meeting was not given to the dissenting Minsec Shareholder or the proposed action was authorised by a written resolution of the Minsec Shareholders. If the merger or consolidation is approved by the Minsec Shareholders, Minsec must, within 20 days, give notice of this fact to each dissenting Minsec Shareholder who gave written objection, and to each Minsec Shareholder who did not receive notice of the meeting or to any Minsec Shareholder who did not consent to the merger or consolidation if consent was obtained by written resolution. Such Minsec Shareholders then have 20 days to give to Minsec their written election in the form specified by the BVI Act to dissent from the merger or consolidation.

A Minsec Shareholder who wishes to dissent from the redemption price being offered under a mandatory redemption pursuant to section 176 of the BVI Act must do so within 7 days of the Majority Shareholder(s) instructing Minsec to redeem the minority shares. Minority Minsec Shareholders that do not dissent within seven days of the Majority Shareholder(s) giving Minsec notice to redeem the Minority Shares lose the right to dissent to the redemption price being offered and the Minsec Shares held by that Minority Shareholder are automatically redeemed for the redemption price notified to the Minority Shareholders by Minsec.

In the case of a merger or consolidation or a court sanctioned arrangement only, upon giving notice of his or her election to dissent, a Minsec Shareholder ceases to have any rights of a Minsec Shareholder except the right to be paid the fair value of his or her Minsec Shares.

Within seven days following the date of the expiration of the period within which Minsec Shareholders may give their notices of election to dissent or within seven days immediately following the date on which the proposed action is put into effect, whichever is later, Minsec, or in the case of a merger or consolidation, the surviving company or the consolidated company, must make a written offer to each dissenting Minsec Shareholder to purchase his or her Minsec Shares at a specified price that Minsec determines to be the fair value. In the case of a mandatory redemption of Minsec Shares pursuant to section 176 of the BVI Act, the written offer must be made by Minsec within seven days immediately following the direction given to Minsec to redeem the issued and outstanding Minsec Shares. Minsec and the dissenting Minsec Shareholders then have 30 days to agree upon the price.

If Minsec and the dissenting Minsec Shareholder fail to agree on the price within the 30 days, then Minsec and the dissenting Shareholder shall, within 20 days of the expiration of the 30-day period they had to agree a fair value for the dissenting Minsec Shareholder's shares, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the Minsec Shares owned by the dissenting Minsec Shareholder as of, in the case of a merger or consolidation or a plan of arrangement, the close of business on the day before the Minsec Shareholders approved the transaction and, in the case of a compulsory redemption, the close of the business day on which the majority shareholder gave Minsec the notice to redeem. The appraisers will take no account of any change in the value as a result of the transaction and the fair value fixed by them is then binding on all parties for all purposes.

7.9 ***Unmarketable shareholdings***

Minsec has a very large number of shareholders whose holdings do not fall within the ASX's definition of a marketable parcel (i.e. holdings with a value of not less than A$500). Minsec's articles of association include provisions similar to those in the ASX Listing Rules, which allow it to compulsorily sell the Minsec Shares held by an Unmarketable Parcel Holder and remit the cash proceeds to the Unmarketable Parcel Holder.

The record date for determining whether a Minsec Shareholder is an Unmarketable Parcel Holder was 5.00 p.m. (Australian EST) on 26 June 2008 (the "Record Date"). To qualify as an Unmarketable Parcel Holder a Minsec Shareholder must be recorded on the Minsec register of members with a holding of 442 Minsec Shares or less as at the Record Date and continue to hold such number of Minsec Shares as at the date the Offer is declared unconditional in all respects.

So as to obviate the need to issue New CopperCo Shares to Unmarketable Parcel Holders who do not accept the Offer, should the Offer become wholly unconditional and a Subsequent Acquisition Transaction occur, Non-Accepting Unmarketable Parcel Holders will not receive New CopperCo Shares in consideration for the redemption of their Minsec Shares. Instead, the New CopperCo Shares that such Non-Accepting Unmarketable Parcel Holders would otherwise have been entitled to will be issued to the CopperCo Nominee and sold and the gross proceeds will be distributed pro-rata among the Non-Accepting Unmarketable Parcel Holders. The costs of this exercise will be borne by CopperCo.

Accepting Unmarketable Parcel Holders will automatically receive 2.2 New CopperCo Shares for each Minsec Share held with fractions of CopperCo Shares being rounded down to the nearest whole number, provided that Accepting Unmarketable Parcel Holders may instead elect to have the New CopperCo Shares to which they are entitled under the Offer issued to the CopperCo Nominee who will then aggregate the holding with the holdings of any other Accepting Unmarketable Parcel Holders wishing to make a Cash Election (together the "Electing Unmarketable Parcel Holders") and sell the aggregated holding (the "Aggregated Holding") and the Registrar will then distribute the gross proceeds *pro-rata* to the Electing Unmarketable Parcel Holders. The costs of this exercise will be borne by CopperCo. **Any Accepting Unmarketable Parcel Holder that would like to elect accept the Offer and make a Cash Election should (as applicable) mark Box 2 on the Form of Acceptance (for certificated holders), Box 2 on the CDI Acceptance Form (for CDI Holders) or follow the electronic acceptance mechanics set out in paragraph 14.1 (b) of Part I (for UK DI Holders) or paragraph 14.1 (c) of Part I (for CDI Holders).**

7.10 ***Further details of the Offer***

The Offer will be made subject to the conditions set out in Part IV of this document, and in the case of Minsec Shares held in certificated form, in the Form of Acceptance and, in the case of CDI Holders, in the CDI Acceptance Form.

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8. CopperCo Directors, CopperCo Senior Managers and Proposed CopperCo Senior Managers

Brief biographies of the CopperCo Directors, the CopperCo Senior Managers and the Proposed CopperCo Senior Managers are set out below. Paragraph 2 of Part V of this document contains further details of the current and past directorships and certain other important information regarding the CopperCo Directors, the CopperCo Senior Managers and the Proposed CopperCo Senior Managers.

8.1 *CopperCo Directors*

Keith Stuart Liddell, age 49, Non-Executive Chairman of CopperCo and Chief Executive Officer of Minsec

Keith Liddell is an experienced metallurgical engineer and resource company manager, having worked exclusively in the minerals industry since 1980. Mr Liddell has a Bachelor of Science (Minerals Engineering) and Master of Science (Engineering) and is a registered professional engineer in Australia, South Africa and the United Kingdom. Mr Liddell is currently the chief executive officer of Minsec and it is proposed that he will be the chief executive officer of CopperCo following the Acquisition. He is currently also a director of Tianshan, Platmin and NiPlats.

Brian James Rear, age 60, Managing Director of CopperCo

Brian Rear has 38 years of technical, managerial and corporate development experience in the mineral resource industry, covering Australia, New Guinea, the United Kingdom, Europe, South Africa, and Indonesia. Mr Rear's experience covers gold, base metals, uranium, thermal coal, and industrial minerals. Mr Rear has been instrumental in defining the model for the profitable development of stand-alone heap leach copper projects in Australia.

Mr Rear is a graduate of the Western Australian School of Mines in metallurgy and also a graduate of the Royal School of Mines London, holding a Diploma of Imperial College and a Master of Science in mineral process design from the University of London. He holds a Masters Degree in Business Leadership from the University of South Africa's School of Business Leadership. He is a member of the Australian Institute of Company Directors.

Mr Rear is one of the founders of Straits Resources Limited ("Straits"), an ASX listed company, and held the position of CEO and Director from its inception in 1991 through to mid 2002. During this period he oversaw the development of the company from inception to a producing mining company with an asset base over A$220 million, and revenue in 2001 of A$140 million. During his time with Straits the company successfully financed and developed two greenfield projects, Girilambone Copper and Sebuku Coal and effected the turn-around of a significant copper project acquired from Western Mining Corporation Limited.

Mr Rear is currently Non-Executive Chairman of Zambezi and Non Executive Director of Copper Range Limited.

Mr Rear will continue as the Managing Director of CopperCo following the Acquisition.

Richard John Basham, age 70, Non-Executive Director of CopperCo

Richard Basham was the managing partner of the Perth office of Grant Thornton, an international firm of chartered accountants, until his retirement several years ago and will continue as a non-executive director of CopperCo following the Acquisition.

Hon. John Colinton Moore AO, age 71, Non-Executive Director of CopperCo and Minsec

Hon. John Moore AO holds a Bachelor of Commerce and Associate in Accountancy from the University of Queensland. Hon. Moore has had a distinguished career in Australian politics: he was the Minister of Defence, the Minister for Industry, Science and Tourism and Vice President of the Executive Council. Prior to entering politics, Hon. Moore was a stockbroker and member of the Brisbane Stock Exchange for 12 years. Hon. Moore will continue as a non-executive director of CopperCo following the Acquisition.

Peter John Patrikeos, age 70, Non Executive Director of CopperCo

Peter Patrikeos is a barrister and solicitor who during 40 years of legal practice has held senior legal positions within the Western Australian Government and has represented corporations both in private practice and as a senior internal counsel. For nine years to 1997, Mr Patrikeos was a partner in the national law firm Freehills (formerly Freehill Hollingdale & Page). Mr Patrikeos will continue as a non-executive director of CopperCo following the Acquisition.

8.2 *CopperCo Senior Managers*

Phillipus Hartog, age 46, Chief Financial Officer and Company Secretary of CopperCo

Phillipus Hartog holds a Bachelor of Business (Accounting and Auditing) degree and CPA. Mr Hartog has over 15 years experience in the resource sector and 5 years with international professional accounting firms Ernst & Young and Price Waterhouse.

Simon Pooley, age 45, General Manager, Exploration and Business Development – CopperCo

Simon Pooley graduated from Macquarie University, Sydney and has 20 years of professional experience. Mr Pooley has led CopperCo's exploration and project development activities since inception in 2004. Mr Pooley was promoted to his current role in 2006.

Barry Deans, age 62, General Manager, Operations – CopperCo

Barry Deans is a metallurgist with 30 years experience in the mining industry in Australia and Papua New Guinea. Mr Dean was the Resident Manager at Straits Resources' Girilambone Copper Mine for 6 years. More recently he has been involved in the preparation of feasibility studies for various projects including the Nifty and Whim Creek leach copper mines.

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Keren Paterson, age 32, Corporate Development Manager – CopperCo

Keren Paterson holds a Bachelor of Engineering in Mining from the Western Australian School of Mines and a Master of Business Administration majoring in economics from Deakin University. She holds a Western Australian First Class Mine Manager's Certificate of Competency and was awarded the Telstra Young Business Woman of the Year for Western Australia in 2005.

Keren Paterson is experienced in mine management in both open pit and underground mines in precious and base metal operations as well as in private equity investment in the resources sector. She is a member of the Australian Institute of Company Directors and the Australian Institute of Management.

Paul Martinkus, age 46, Site General Manager – CopperCo

Paul Martinkus is a Mining Engineer with over 20 years experience in the metalliferous mining and construction materials industries. He holds a Bachelor of Engineering in Mining from the University of Melbourne and a Masters of Business Administration from Central Queensland University.

After graduation Mr Martinkus commenced his career with Central Norseman Gold at the Norseman underground gold operation. Subsequent positions were with Hamersley Iron in the Pilbara region of Western Australia and Triako Resources at the Mineral Hill copper/gold mine near Condobolin in central New South Wales.

Mr Martinkus is experienced in Mine Management in Australia and Indonesia and is experienced in precious, base and bulk materials in both underground and open pit environments.

Peter Ruzicka, age 43, Exploration Manager of CopperCo

Peter Ruzicka holds a Bachelor of Science and a Bachelor of Applied Science from the University of Queensland, and is currently completing a Master of Science through the University of Western Australia. Mr Ruzicka's experience comprises more than 20 years in the industry, and geographically encompasses Australia, China, Indonesia, PNG, Philippines and Mongolia, Africa and North America in both base and precious metals.

8.3 ***Proposed CopperCo Senior Managers***

Jamie Armes, age 35, Group Financial Controller and Australian Company Secretary – Minsec

Jamie Armes joined Minsec Australia during June 2004. Mr Armes is a chartered accountant with a Bachelor of Business from the University of Tasmania. Mr Armes has experience of accounting, taxation and audit as well as acting as Company Secretary for a number of listed companies. Since the Minsec Scarborough Merger, Mr Armes has acted as Group Financial Controller and Australian company secretary based in Perth WA.

Michael Bohm, age 45, Managing Director – Asia-Pacific – Minsec

Michael Bohm is a graduate of the Western Australia School of Mines in Kalgoorlie and has over 21 years' experience in the gold, nickel and diamond sectors of the minerals industry in Australia, South East Asia, North America, Europe and Southern Africa. Prior to joining Minsec Australia in August 2005, Mr Bohm held various corporate roles including previous directorships at Sally Malay Mining Limited (three years) and Ashton Mining of Canada (TSX listed) and was a member of the Argyle Diamond Mines Joint Venture Committee. Mr Bohm is Managing Director, Asia Pacific and is Minsec's representative on the boards of Herencia and MRK and the Lady Loretta JV committee.

David Hillier, age 57, Chief Financial Officer – Minsec – Executive Chairman – Buka Gold

David Hillier has been associated with mining and mining investments for over 30 years. Mr Hillier is a Fellow of the Australian Institute of Chartered Accountants and member of the Australian Institute of Company Directors. His responsibilities have covered the financial, commercial and legal aspects of operations in a vast majority of the major mining provinces outside China and Northern Europe.

After several years in the accounting profession serving major resource companies, Mr Hillier held a number of senior financial positions in Australian mining companies, most notably over 15 years as a senior finance executive at Normandy Mining. He has held operational responsibilities and served as both an executive and non-executive director of numerous publicly listed companies. Mr Hillier is currently Executive Chairman of Minsec's listed subsidiary, Buka Gold.

Ken Rogers, age 60, Chief Geologist – Minsec

Ken Rogers, Minsec's Chief Geologist, is highly experienced, with particular interest in gold, base metals and fluorite projects. As Geologist for the Rogers and Roe Prospecting Syndicate, Mr Rogers worked on the Youanmi gold tailings operations and Youanmi gold mine, as well as the Gidgee gold mine. During this time, Mr Rogers was responsible for researching remote sensing techniques as an aid to exploration and developing software programmes for displaying images on microcomputers. Mr Rogers was also the Chief Geologist, Exploration Manager and later, Director for Elmina NL, before joining Minsec Australia first as a contractor and from 2005 as an employee. Mr Rogers holds a Bachelor of Science in Geology (Honours) and a Diploma in Education. He is also a Registered Chartered Engineer and a member of the Institute of Materials, Minerals and Mining, the Australian Institute of Geoscientists, and the Society of Economic Geologists.

9. Corporate governance

The ASX Listing Rules require an Australian listed entity to include in its annual report a statement on corporate governance practices disclosing the extent to which it has followed the "best practice" corporate governance recommendations set out by the ASX Corporate Governance Council. If the entity has not followed any of the recommendations, it must identify them and give reasons why. For this purpose, ASX Listing Rules Guidance Note 9A sets out the essential corporate governance principles and the applicable best practice recommendations.

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Listing Rule 4.10.3 and Guidance Note 9A reflect ASX policy that it is "appropriate to focus on disclosure of corporate governance practices rather than prescribe adoption of a particular practice". Therefore, an entity's obligation is to highlight areas of departure from the recommendations, the "if not, why not" approach.

The CopperCo Board is committed to acting responsibly, ethically and with high standards of integrity as the Company works to create shareholder value. The Company complies with 18 of the 28 "best practice recommendations". Non-compliance with 10 of the recommendations relates to the CopperCo Board considering it appropriate to not separately constitute a nomination committee, the CopperCo Board not having either a majority of independent directors or an independent chairman, the audit committee consisting of only two CopperCo Directors and CopperCo not making certain information publicly available. The CopperCo Board deals with matters that would be dealt with by a nomination committee and it considers the make-up of the CopperCo Board and its audit committee and its chairperson are appropriate given CopperCo's size and operations and the current CopperCo Directors' skills and experience.

Following the Acquisition, CopperCo will review and potentially expand its compliance with corporate governance best practice to take into account the increased size and scope of the Company.

10. The CopperCo Board

The CopperCo Board's timetable is for a minimum of six full CopperCo Board meetings spread across the calendar year. At least one of these meetings will include a detailed discussion of the strategic plan. The CopperCo Directors believe that these meetings make the CopperCo Board well-placed to remain fully up to date with the CopperCo Group's activities and to exercise adequate control. There is a clear distinction between the role of the chairman in running the CopperCo Board, and that of the managing director in running the business. The agenda for each regular CopperCo Board meeting includes substantial reports on all aspects of the CopperCo Group's business and ad hoc reports are circulated if decisions are required between meetings.

The Company maintains appropriate directors' and officers' insurance cover. All CopperCo Directors are able to obtain independent professional advice at the Company's expense. The Company maintains regular direct contact with its major shareholders.

10.1 ***Audit committee***

The audit committee's members are Mr Patrikeos and Mr Basham. Mr Basham currently acts as chairperson. The audit committee meets at least three times a year and reviews the audit assurance procedures, ensuring that an appropriate mix of techniques is used to obtain the level of audit assurances required by the CopperCo Board.

The audit committee has discussed the independence of external auditors and is satisfied that this is not prejudiced when undertaking non-audit work. This will be kept under review. The audit committee also receives and reviews reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems in use throughout the CopperCo Group. The audit committee has unrestricted access to the Company's auditors.

The membership of the audit committee will be reviewed if the Offer is successful.

10.2 ***Remuneration committee***

The remuneration committee is comprised exclusively of non-executive directors. Its members are Richard Basham and Keith Liddell. Remuneration committee members have no personal interest, other than as shareholders, in the matters decided by the committee. The remuneration committee reviews the scale and structure of the managing director's and other senior executives' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the non-executive directors are set by the CopperCo Board.

The membership of the remuneration committee will be reviewed if the Offer is successful.

11. Dividends and dividend policy

No dividends were paid or declared by CopperCo during either the three financial years ended 30 June 2007 or the six months ended 31 December 2007.

It is not the current intention of the CopperCo Directors to declare a dividend in respect of the financial year ending 30 June 2008. The declaration and payment by CopperCo of any future dividends and the amount of any such dividends will depend upon profits being available for distribution, CopperCo's financial condition and any other factors deemed by the CopperCo Directors to be relevant at the time, subject always to the requirements of the Corporations Act.

12. Employee incentives

Certain CopperCo Directors and CopperCo employees have been granted share options under the CopperCo Incentive Schemes. The CopperCo Incentive Schemes are described in paragraph 4 of Part V of this document.

13. Risk factors

Prior to accepting the Offer, Minsec Shareholders should consider, together with the other information contained in this document and the Offer Document, the factors and risks attaching to an investment in CopperCo including, in particular, the factors set out in the part of this document entitled "Risk Factors" on page 8 of this document.

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14. Procedure for acceptance of the Offer and settlement

14.1 ***Procedure for acceptance of the Offer***

Acceptance of the Offer should be despatched as soon as possible and in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV.

(a) To accept the Offer, Minsec Shareholders who hold Minsec Shares **in certificated form** must complete and sign the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance and return it, either by post or by hand (during normal business hours) to Computershare UK at the address stated on the Form of Acceptance as soon as possible, but in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of this document.

Unmarketable Parcel Holders that wish to make the Cash Election should tick Box 2 on the Form of Acceptance.

The completed Form of Acceptance should be accompanied by the share certificate(s) for your Minsec Shares and/or other document(s) of title.

(b) To accept the Offer, Minsec Shareholders who hold Minsec Shares as UK DIs (that is, **in CREST**), should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) to Euroclear, a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Minsec Shares. This is VGG614341094;
- the number of Minsec Shares in respect of which they wish to accept the Offer (i.e. the number of Minsec Shares to be transferred to escrow);
- the member account ID of the accepting Minsec Shareholder;
- the participant ID of the accepting Minsec Shareholder;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent. This is MINCOP01;
- the intended settlement date. This should be as soon as possible and in any event not later than 10.00 a.m. (London time) 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of this document;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input with standard delivery instruction priority of 80.

Unmarketable Parcel Holders that wish to make the Cash Election should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) to Euroclear, a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Minsec Shares. This is VGG614341094;
- the number of Minsec Shares in respect of which they wish to accept the Offer (i.e. the number of Minsec Shares to be transferred to escrow);
- the member account ID of the accepting Minsec Shareholder;
- the participant ID of the accepting Minsec Shareholder;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent. This is MINCOP02;
- the intended settlement date. This should be as soon as possible and in any event not later than 10.00 a.m. (London time) 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of this document;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input with standard delivery instruction priority of 80.

(c) To accept the Offer, Minsec Shareholders that are **CDI Holders** must do so through the CDI Nominee.

If CDIs are held:

(i) in an Issuer Sponsored Holding, the CDI Acceptance Form accompanying this document should be completed in accordance with the instructions printed on the CDI Acceptance Form and signed and returned, either by post or by hand (during normal business hours) to Computershare Australia at the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of this document; or

(ii) on the CHESS sub-register, CDI Holders should either (i) contact their Controlling Participant (normally their stockbroker) with instructions to accept the Offer, or (ii) complete and sign the CDI Acceptance Form accompanying this document in accordance with the instructions printed on the CDI Acceptance Form and return it, either by post or by hand (during normal business hours) to Computershare Australia at the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of this document. Alternatively, if the CDI Holders are Australian Broker Participants or Australian Non-Broker Participants, they should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASTC Settlement Rules. If the CDIs are held on the CHESS sub-register, the Offer must be accepted in accordance with the ASTC Settlement Rules.

Unmarketable Parcel Holders that wish to make the Cash Election should either mark Box 2 on the CDI Acceptance Form or advise their Controlling Participant, as appropriate.

14.2 ***Settlement***

The CopperCo Shares are currently quoted on the ASX. An application will be made for quotation of the New CopperCo Shares within seven days of the date of this document.

Quotation on ASX is not guaranteed or automatic on such an application. Nothing in this document should be taken to state or imply that the New CopperCo Shares will be quoted on the ASX, but quotation is expected in the ordinary course as CopperCo is already admitted to the Official List of the ASX and the CopperCo Shares have been granted quotation by the ASX, and it will be a term of CopperCo's Offer that permission is obtained from the ASX for admission to quotation of the New CopperCo Shares on ASX no later than seven days after the Offer closes.

The obligation of CopperCo to issue New CopperCo Shares will be satisfied by entering the name of the Minsec Shareholder on the register of members of CopperCo and despatching or procuring the despatch of uncertificated holding statements by pre-paid ordinary mail or, in the case of addressees outside Australia, by pre-paid airmail, to the address of the Minsec Shareholder shown on the copy register of Minsec members maintained by CopperCo. If Minsec Shares are held in a joint name, an uncertificated holding statement will be issued in the name of the joint holders and forwarded to the address that appears first in the register of members of Minsec.

If the Minsec Shareholder receiving CopperCo Shares as a result of the Offer is a US Person, the uncertificated holding statement also will note that such CopperCo Shares are "restricted securities" for purposes of the US securities laws and may be resold only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act.

Assuming that the applicable New CopperCo Shares have been quoted on the ASX, the obligation of CopperCo to issue New CopperCo Shares will be so satisfied within 14 days of the later of:

(a) 1 August 2008, being the first closing date of the Offer;

(b) the date the Offer becomes or is declared wholly unconditional; and

(c) the date of receipt of an acceptance complete in all respects in accordance with the terms of the Offer.

If the Offer becomes or is declared wholly unconditional on 22 September 2008 (being the latest possible date upon which the Offer could be declared wholly unconditional), it is expected that the New CopperCo Shares will be issued no later than 6 October 2008. It is expected that the obligation of CopperCo to despatch consideration pursuant to a Cash Election will be satisfied within 40 days of the date the New CopperCo Shares are issued to the CopperCo Nominee on behalf of the Unmarketable Parcel Holder.

Further details of the distribution of any consideration pursuant to the Cash Election is contained in paragraph 5(d) of Section B of Part IV of this document.

15. Further information

Your attention is also drawn to the remaining parts of this document which contain further information on CopperCo, Minsec, the Offer, the Enlarged CopperCo Group and the New CopperCo Shares.

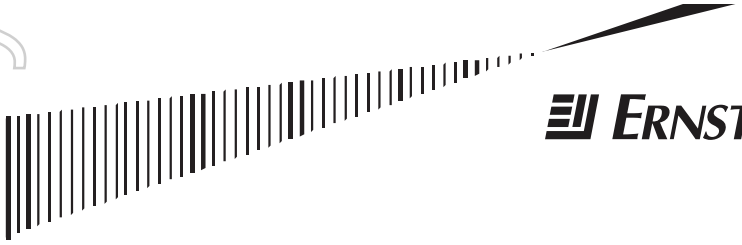
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PART II

FINANCIAL INFORMATION

Section A: Accountant's Report on CopperCo



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30 June 2008

The Directors
CopperCo Limited
Level 22, Allendale Square
77 St Georges Terrace
Perth
Western Australia 6000

Dear Sirs

CopperCo Limited and its subsidiaries (the "CopperCo Group")

We report on the financial information set out in Section B of Part II. This financial information has been prepared for inclusion in the prospectus dated 30 June 2008 (the "Prospectus") of CopperCo Limited on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 20.1 of Annex I of the Prospectus Rules and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the Prospectus Rules, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of CopperCo Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to CopperCo Limited's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus dated 30 June 2008, a true and fair view of the state of affairs of the CopperCo Group as at the dates stated and of its loss, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards.

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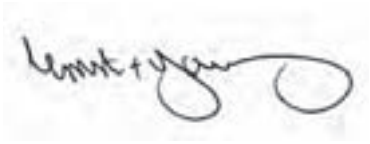
Going concern

In forming our conclusion we have considered the adequacy of the disclosures made in note 2 to the financial information in respect of the situation subsequent to the acquisition of Mineral Securities Limited concerning the uncertainty as to the renewal or repayment of Mineral Securities Limited's debt facility and the effect on the CopperCo Group as enlarged by the acquisition. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our conclusion is not modified in this respect.

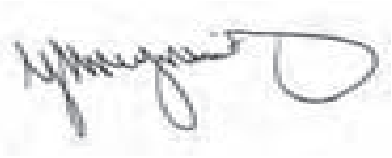
Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the Prospectus Rules.

Yours faithfully



Ernst & Young



G H Meyerowitz
Partner
Perth

Section B: CopperCo Historical Financial Information

Income Statement
for the years ended 30 June

	Notes	*2007 A$000*	*2006 A$000*	*2005 A$000*
Continuing Operations				
Revenue	4(a)	1,283	353	121
Other income	4(b)	695	—	—
Office expenses		(1,462)	(437)	(390)
Finance costs	5(a)	(6,782)	(1,945)	(558)
Depreciation		(91)	(46)	(29)
Insurance		(151)	(59)	(60)
Legal fees		(83)	(104)	(60)
Travel & accommodation		(603)	(74)	(83)
Employee benefits expense	5(b)	(6,271)	(1,424)	(997)
Write down of exploration expenditure	11	(7,342)	(2,242)	—
Write off of accounts receivable	8	—	(20)	—
Hedging	5(c)	(721)	—	—
Development expenditure		(52,908)	—	—
Impairment of available for sale investments	12	(1,467)	(1,493)	—
Stock exchange expenses		(44)	(36)	(23)
Share registry expenses		(96)	(83)	(78)
Other expenses	5(d)	(1,029)	(275)	(181)
Loss Before Income Tax		(77,072)	(7,885)	(2,338)
Income Tax Benefit Relating to Ordinary Activities	6	21,423	4,282	—
Loss After Income Tax for the Period		(55,649)	(3,603)	(2,338)
Basic loss per share (cents)	22	(15.93)	(1.84)	(1.83)
Diluted loss per share (cents)	22	(15.93)	(1.84)	(1.83)

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Balance Sheet
as at 30 June

	Notes	2007 A$000	2006 A$000	2005 A$000
Current Assets				
Cash and cash equivalents	7	8,657	40,904	1,821
Trade and other receivables	8	2,654	591	76
Derivatives	31	142	—	—
Total Current Assets		11,453	41,495	1,897
Non Current Assets				
Trade and other receivables	9	4,173	290	276
Deferred tax assets	6	30,975	3,452	—
Plant and equipment	10	47,326	7,412	164
Exploration expenditure	11	14,992	33,983	28,401
Development expenditure	11	24,943	2,129	—
Available-for-sale investments	12	7,413	6,128	5,706
Total Non Current Assets		129,822	53,394	34,547
Total Assets		141,275	94,889	36,444
Current Liabilities				
Trade and other payables	13	22,134	5,982	3,676
Provisions	14	304	1,071	47
Interest bearing liabilities	15	3,512	6,886	—
Derivatives	31	573	—	—
Total Current Liabilities		26,523	13,939	3,723
Non-Current Liabilities				
Interest bearing liabilities	16	37,330	3,500	3,810
Provisions	17	5,807	151	151
Derivatives	31	20,747	—	—
Total Non-Current Liabilities		63,884	3,651	3,961
Total Liabilities		90,407	17,590	7,684
Net Assets		50,868	77,299	28,760
Equity				
Contributed equity	20	159,551	124,525	74,106
Reserves	21	(2,055)	3,753	2,030
Accumulated losses	21	(106,628)	(50,979)	(47,376)
Total Equity		50,868	77,299	28,760

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Statements of Changes in Equity
for the year ended 30 June 2007

	Issued Capital A$000	*Accumulated Losses A$000*	*Net Unrealised Gains Reserve A$000*	*Option/ Employee Reserve A$000*	*Derivative Reserve A$000*	*Option Premium Reserve A$000*	*Other A$000*	*Total Equity A$000*
At 1 July 2006	124,525	(50,979)	1,341	712	—	1,700	—	77,299
Increase in value of available for sale investment	—	—	682	—	—	—	—	682
Realised gain on available for sale investments	—	—	(605)	—	—	—	—	(605)
Net unrealised loss on derivatives	—	—	—	—	(20,458)	—	—	(20,458)
Tax effect	335	—	(23)	164	6,137	—	—	6,613
Total income/expense for the period recognised directly in equity	335	—	54	164	(14,321)	—	—	(13,768)
Investments – Zambezi Resources	—	—	—	—	—	—	390	390
Loss for the period	—	(55,649)	—	—	—	—	—	(55,649)
Total income/expense for the period	335	(55,649)	54	164	(14,321)	—	390	(69,027)
Issue of share capital	34,691	—	—	—	—	—	—	34,691
Cost of share based payment								
Payment of debt issue costs	—	—	—	5,620	—	—	—	5,620
Other	—	—	—	2,285	—	—	—	2,285
At 30 June 2007	159,551	(106,628)	1,395	8,781	(14,321)	1,700	390	50,868

for the year ended 30 June 2006

	Issued Capital A$000	*Accumulated Losses A$000*	*Net Unrealised Gains Reserve A$000*	*Employee Share Reserve A$000*	*Option Premium Reserve A$000*	*Total Equity A$000*
At 1 July 2005	74,106	(47,376)	—	330	1,700	28,760
Revaluation of available-for-sale asset	—	—	1,915	—	—	1,915
Tax effect	258	—	(574)	(164)	—	(480)
Total income/expense for the period recognised directly in equity	258	—	1,341	(164)	—	1,435
Loss for the period	—	(3,603)	—	—	—	(3,603)
Total income/expense for the period	258	(3,603)	1,341	(164)	—	(2,168)
Issue of share capital	50,161	—	—	—	—	50,161
Cost of share-based payment	—	—	—	546	—	546
At 30 June 2006	124,525	(50,979)	1,341	712	1,700	77,299

for the year ended 30 June 2005

	Issued Capital A$000	*Accumulated Losses A$000*	*Net Unrealised Gains Reserve A$000*	*Employee Share Reserve A$000*	*Option Premium Reserve A$000*	*Total Equity A$000*
At 1 July 2004	46,720	(45,038)	—	—	30	1,712
Total income/expense for the period recognised directly in equity	—	—	—	—	—	—
Loss for the period	—	(2,338)	—	—	—	(2,338)
Total income/expense for the period	—	(2,338)	—	—	—	(2,338)
Issue of share capital	27,386	—	—	—	—	27,386
Issue of options	—	—	—	—	1,670	1,670
Cost of share-based payment	—	—	—	330	—	330
At 30 June 2005	74,106	(47,376)	—	330	1,700	28,760

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Cash Flow Statement
for the years ended 30 June

	Notes	Consolidated 2007 A$000	2006 A$000	2005 A$000
Cash Flows from Operating Activities				
Receipts from customers		16	—	13
Interest & other costs of finance paid		(4,814)	(939)	(278)
Payments to suppliers and employees		(13,486)	(3,172)	(2,330)
Income tax received		—	350	—
Interest received		1,477	108	107
GST and R&D refund		6,402	1,401	904
Net Cash Flows from/(Used in) Operating Activities	7	(10,405)	(2,252)	(1,584)
Cash Flows from Investing Activities				
Proceeds from sale of fixed assets		9	—	—
Purchase of plant and equipment		(26,023)	(6,772)	(165)
Loans to controlled entities		—	—	(291)
Advances repaid by other entities		—	—	12
Payments for exploration		(7,971)	(6,874)	(5,047)
Payment for capital development		(47,566)	(963)	—
Purchase of controlled entity	19	—	—	(7,018)
Purchase of available-for-sale securities		—	(5)	(3,829)
Security deposits made		(3,882)	(14)	(187)
Net Cash Flows Used in Investing Activities		(85,433)	(14,628)	(16,525)
Cash Flows from Financing Activities				
Proceeds from issue of shares		30,000	53,107	16,006
Proceeds from borrowings		42,419	7,000	5,000
Payment of capital raising costs		(1,328)	(3,144)	(1,092)
Repayment of borrowings		(7,500)	(1,000)	(1,235)
Net Cash Flows from Financing Activities		63,591	55,963	18,679
Net Increase/(Decrease) in Cash Held		(32,247)	39,083	570
Cash and cash equivalents at beginning of period		40,904	1,821	1,251
Cash and Cash Equivalents at End of Period	7	8,657	40,904	1,821

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Notes to the Financial Information

1. Corporate Information

The financial report of CopperCo for the year ended 30 June 2007, was authorised for issue in accordance with a resolution of the directors on 24 September 2007. The financial report of the Company for the year ended 30 June 2006 including the comparatives for 2005 was authorised for issue in accordance with a resolution of the directors on 28 September 2006.

CopperCo is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The principal activities of the Company has been exploration with the Company becoming a copper producer during the 2008 financial year.

2. Summary of Significant Accounting Policies

(a) ***Basis of preparation***

The financial report is a general-purpose financial report. The financial report has also been prepared on a historical cost basis, except available-for-sale investments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The financial report is presented in Australian dollars.

(b) ***Going concern***

The financial statements have been prepared on a going concern basis. Completion of the Acquisition will result in Minsec's financial statements being consolidated with CopperCo's. Minsec is a mining investment company which currently sources its working capital from a mix of asset sales, equity raisings and bank debt. Its principal debt is an A$45.0 million facility with Macquarie Bank, which is now due to expire on 31 December 2008.

Based on cash flow forecasts, Minsec or if the Acquisition completes, the Enlarged CopperCo Group, will require the sale of assets, a new equity raising, a further extension of the loan facility or new facilities, or a combination of these to meet operating commitments and the repayment of the Macquarie bank debt.

Minsec has made it known publically that it is pursuing a programme of asset sales, which the Enlarged CopperCo Group intends to continue, but there can be no certainty as to when sales might be concluded or how much they might realise. The projected cash flows to June 2009, clearly indicate the need for additional funding to meet the anticipated 31 December 2008 repayment, but the CopperCo Directors are reasonably confident that Minsec and / or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available at that point to meet future commitments. Further, considering the size of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, the CopperCo Directors consider it appropriate to prepare the financial statements on the going concern basis. If the existing facility is not further renegotiated and alternative proceeds are not available such that the going concern basis were not appropriate, then adjustments might be required to the recoverability and classification of asset amounts or the amounts and classification of liabilities.

(c) ***Statement of compliance***

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

The financial report for the year ended 30 June 2006 was the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement*. The Company has adopted the exemption under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* from having to apply AASB 132 and AASB 139 to the comparative period. Reconciliations of AIFRS equity and profit for 30 June 2005 to the balances reported in the 30 June 2005 financial report and at transition to AIFRS are detailed in Note 32.

In the period ended 30 June 2007, the CopperCo Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) and the Urgent Issues Group that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2006. The adoption of these new and revised Standards and Interpretations are not yet effective and have not been adopted by the CopperCo Group for the annual reporting period ended 30 June 2007.

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Australian Accounting Standards and Interpretations that have recently been issued or amended and are not yet effective are outlined in the table below.

Reference	*Title*	*Summary*	*Application date of standard**	*Impact on CopperCo Group financial report*	*Application date for CopperCo Group**
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments arise from the release in August 2005 of AASB 7 *Financial Instruments: Disclosures.*	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the CopperCo Group's financial statements. However, the amendments will result in changes to the financial instruments disclosures included in the CopperCo Group's financial report.	1 July 2007
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	Amending standard issued as a consequence of AASB Intrepretation 11 *Group and Treasury Share Transactions.*	1 March 2007	This is consistent with the CopperCo Group's existing accounting policies for share-based payments so will have no impact.	1 July 2007
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]	Amending standard issued as a consequence of AASB Interpretation 12 *Service Concession Arrangements.*	1 January 2008	As the CopperCo Group currently has no service concession arrangements or public-private-partnerships (PPP), it is expected that this Interpretation will have no impact on its financial report.	1 July 2008
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 8 *Operating Segments.*	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the CopperCo Group's financial statements.	1 July 2009
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments	The standard is a result of the AASB decision that, in principle, all accounting policy options currently existing in IFRS should be included in the Australian equivalents to IFRS and the additional Australian disclosures should be eliminated, other than those considered particularly relevant in the Australian reporting environment.	1 July 2007	As the CopperCo Group does not anticipate changing any of its accounting policy choices as a result of the issue of AASB 2007-4 this standard will have no impact on the amounts included in the CopperCo Group's financial statements. Changes to disclosure requirements will have no direct impact on the amounts included in the CopperCo Group's financial statements. However the new standard may have an impact on the disclosures included in the CopperCo Group's financial report.	1 July 2007
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of AASB 123 (revised) *Borrowing Costs.*	1 January 2009	As the CopperCo Group does not currently construct or produce any qualifying assets which are financed by borrowing the impact of the revised standard has not been quantified at the date of this report.	1 July 2009

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Reference	*Title*	*Summary*	*Application date of standard**	*Impact on CopperCo Group financial report*	*Application date for CopperCo Group**
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	Amending standard issued as a consequence of AASB 2007-4.	1 July 2007	Refer to AASB 2007-4 above.	1 July 2007
AASB 7	*Financial Instruments: Disclosures.*	New standard replacing disclosure requirements of AASB 132.	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	*Operating Segments*	This new standard will replace AASB 114 *Segment Reporting* and adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB 101 (revised October 2006)	Presentation of Financial Statements	Many of the disclosures from previous GAAP and all of the guidance from previous GAAP are not carried forward in the October 2006 version of AASB 101. The revised standard includes some text from IAS 1 that is not in the existing AASB 101 and has fewer additional Australian disclosure requirements than the existing AASB 101.	1 January 2007	AASB 101 is a disclosure standard so will have no direct impact on the amounts included in the CopperCo Group's financial statements. However, the revised standard may result in changes to the disclosures included in the CopperCo Group's financial report.	1 July 2007
AASB 123 (revised June 2007)	Borrowing Costs	AASB 123 previously permitted entities to choose between expensing all borrowing costs and capitalising those that were attributable to the acquisition, construction of production of a qualifying asset. The revised version of AASB 23 requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset.	1 January 2009	Refer AASB 2007-6 above.	1 July 2009
AASB Interpretation 10	*Interim Financial Reporting and Impairment*	Addresses an inconsistency between AASB 134 *Interim Financial Reporting* and the impairment requirements relating to goodwill in AASB 136 *Impairment of Assets* and equity instruments classified as available for sale in AASB 139 *Financial Instruments: Recognition and Measurement*	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139 to take precedence over the more general statement in AASB 134 that interim reporting is not expected to have any impact on the CopperCo Group's financial report.	1 July 2007
AASB Interpretation 11	*Group and Treasury Share Transactions*	Specifies that a share-based payment transaction in which an entity receives services as consideration for its own equity instruments shall be accounted for as equity-settled.	1 March 2007	Refer to AASB 2007-1 above.	1 July 2007

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Reference	*Title*	*Summary*	*Application date of standard**	*Impact on CopperCo Group financial report*	*Application date for CopperCo Group**
AASB Interpretation 12	*Service Concession Arrangements*	Clarifies how operators recognise the infrastructure as a financial asset and/or an intangible asset – not as property, plant and equipment.	1 January 2008	Refer to AASB 2007-2 above.	1 July 2008
AASB Interpretation 129 (revised June 2007)	Service Concession Arrangements: Disclosures	The revised interpretation was issued as a result of the issue of Interpretation 12 and requires specific disclosures about service concession arrangements entered into by an entity, whether as a concession provider or a concession operator.	1 January 2008	Refer to AASB 2007-2 above.	1 July 2008
IFRIC Interpretation 13	Customer Loyalty Programmes	Deals with the accounting for customer loyalty programmes, which are used by companies to provide incentives to their customers to buy their products or use their services.	1 July 2008	The CopperCo Group does not have any customer loyalty programmes and as such this interpretation is not expected to have any impact on the CopperCo Group's financial report.	1 July 2008
IFRIC Interpretation 14	IAS 19 – The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements	Aims to clarify how to determine in normal circumstances the limit on the asset that an employer's balance sheet may contain in respect of its defined benefit pension plan.	1 January 2008	The CopperCo Group does not have a defined benefit pension plan and as such this interpretation is not expected to have any impact on the CopperCo Group's financial report.	1 July 2008

* designates the beginning of the applicable annual reporting period.

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(d) ***Basis of consolidation***

This consolidated financial information comprises the financial statements of CopperCo and its subsidiaries as at 30 June each year.

The financial statements of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial information, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the CopperCo Group and cease to be consolidated from the date on which control is transferred out of the CopperCo Group.

Where there is a loss of control of a subsidiary, the consolidated financial information includes the results for the part of the reporting period during which CopperCo has control.

(e) ***Foreign currency translation***

(i) *Functional and presentation currency*

Both the functional and presentation currency of CopperCo and its Australian subsidiaries is Australian dollars (A$). Each entity in the CopperCo Group determines its own functional currency and items included in the financial information of each entity is measured using that functional currency.

(ii) *Transactions & balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

(f) ***Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the CopperCo Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Interest income*

The CopperCo Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for interest income applicable for the years ending 30 June 2007, 30 June 2006 and 30 June 2005.

(ii) *Accounting policies applicable for the years ending 30 June 2007 and 30 June 2006*

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expect life of the financial asset to the next carrying amount of the financial asset.

(iii) *Accounting policies applicable for the year ending 30 June 2005*

Revenue is recognised when the CopperCo Group's right to receive payment is established.

(g) ***Borrowing Costs***

Borrowing costs are recognised as an expense when incurred.

(h) ***Cash and cash equivalents***

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) ***Receivables***

The CopperCo Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for trade and other receivable applicable for the years ending 30 June 2007, 30 June 2006 and 30 June 2005.

Accounting policies applicable for the years ending 30 June 2007 and 30 June 2006

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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An allowance for doubtful debts is made when there is objective evidence that the CopperCo Group will not be able to collect the debts. Bad debts are written off when identified.

Accounting policies applicable for the year ending 30 June 2005

Trade receivables were recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts was made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

(j) ***Income tax***

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date and income taxes relating to items recognised in equity are directly recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) ***Other taxes***

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) ***Property, plant and equipment***

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Lady Annie Operations mine plant and equipment will be amortised once production commences over the shorter of the life of the mine or useful life.

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Other office plant and equipment is amortised over 3 to 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(m) ***Leases***

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) *CopperCo Group as a lessee*

Finance leases, which transfer to the CopperCo Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the CopperCo Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(n) ***Exploration and Evaluation Expenditure***

Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- The exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

AASB 6 *Exploration for and Evaluation of Mineral Resources* has been applied from 1 July 2005 and the comparatives have been restated accordingly.

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(o) ***Mine development expenditure***

Mine development expenditure represents the costs incurred in preparing mines for production, and includes stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units-of-production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Impairment

The carrying value of capitalised mine development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised mine development expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

(p) ***Recoverable amount of assets***

At each reporting date, the CopperCo Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the CopperCo Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(q) ***Derivative financial instruments and hedging***

The CopperCo Group uses derivative financial instruments such as foreign currency forward contracts and option contracts to hedge the risks associated with movements in copper prices and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value if positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit and loss for the year. The CopperCo Group designates hedges as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transactions.

At the inception of a hedge relationship, the CopperCo Group formally designates and documents the hedge relationship to which the CopperCo Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

Cash flow hedges are hedges of the CopperCo Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken up in equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

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(r) ***Investments and other financial assets***

The CopperCo Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for investments and other financial assets applicable for the years ending 30 June 2007, 30 June 2006 and 30 June 2005.

Accounting policies applicable for the years ending 30 June 2007 and 30 June 2006

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The CopperCo Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the CopperCo Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) *Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified at fair value through profit or loss, loans and receivables or held to maturity investments. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

Investments in controlled entities

Investments in controlled entities are accounted for using the purchase method of accounting.

Accounting policies applicable for the year ending 30 June 2005

Listed shares held for trading were carried at net market value. Changes in net market value were recognised as a revenue or expense in determining the net profit for the period.

All other non-current investments were carried at the lower of cost and recoverable amount.

Recoverable amount

Non-current financial assets measured using the cost basis were not carried at an amount above their recoverable amount, and when a carrying value exceeded this recoverable amount, the financial asset was written down to its recoverable amount. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.

(s) ***Trade and other payables***

The CopperCo Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for trade and other payables applicable for the years ending 30 June 2007, 30 June 2006 and 30 June 2005.

Accounting policies applicable for the years ending 30 June 2007 and 30 June 2006

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the CopperCo Group prior to the end of the financial year that are unpaid and arise when the CopperCo Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 45 days of recognition.

Accounting policies applicable for the year ending 30 June 2005

Trade payables and other payables are carried at costs which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

(t) ***Interest-bearing loans and borrowings***

The CopperCo Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for interest-bearing loans and borrowings applicable for the years ending 30 June 2007, 30 June 2006 and 30 June 2005.

Accounting policies applicable for the years ending 30 June 2007 and 30 June 2006

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

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After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Accounting policies applicable for the year ending 30 June 2005

All loans were measured at the principal amount. Interest was recognised as an expense as it accrued.

(u) ***Convertible notes***

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs.

On issuance of the convertible note, the fair value of the liability component is determined using a market rate for a equivalent non-convertible note and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholder's equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

(v) ***Provisions***

Provisions are recognised when the CopperCo Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the CopperCo Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for decommissioning and restoration costs

The CopperCo Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of decommissioning or rehabilitation, discounted to its net present value, is provided when the related environment disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. When there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in the Income Statement on a prospective basis over the remaining life of the operation.

(w) ***Employee leave benefits***

(i) *Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) ***Share-based payment transactions***

(i) *Equity settled transactions*

The CopperCo Group provides benefits to employees (including senior executives) of the CopperCo Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

As at 30 June 2007, there was one plan in place to provide these benefits. The Employee Share Option Plan (2004 Plan) provides benefits to directors, senior executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model, further details of which are given in Note 23.

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In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of CopperCo (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the CopperCo Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 22).

(y) ***Contributed equity***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) ***Earnings per share***

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends); and
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) ***Significant accounting judgements, estimates and assumptions***

In applying the CopperCo Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the CopperCo Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions.

(i) *Significant accounting judgements*

In the process of applying the CopperCo Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Determination of Mineral Resources and Ore Reserves

The CopperCo Group estimates its Mineral Resources and Ore Reserves in accordance with the JORC Code. The information on Mineral Resources and Ore Reserves were prepared by or under the supervision of Competent Persons as defined under the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast of prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

(ii) *Significant accounting estimates and assumptions*

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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Share-based payment transactions

The CopperCo Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial model, using the assumptions detailed in Note 23.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the CopperCo Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and Inferred Mineral Resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of capitalised mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and Inferred Mineral Resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that the capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which determination is made.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by relevance to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and fair value less cost to sell.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of Ore Reserves and Mineral Resources for which there is a high degree of confidence of economic extraction;
- Future production levels;
- Future commodity prices; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Recoverability of potential deferred income tax assets

The CopperCo Group recognises deferred income tax assets in respect of tax losses to the extent that it is probably that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the CopperCo Group to make significant estimates related to expectation of future taxable income. Estimates of future taxable income are based on forecast cash flows and should taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact future financial results.

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3. Segment Information

(a) ***Business Segment***

The consolidated entity operates in one business segment, the resources sector.

(b) ***Geographic Segment***

The consolidated entity operates in one geographic segment, Australia.

4. Revenue

	2007 A$000	*2006 A$000*	*2005 A$000*
(a) ***Revenue***			
Interest revenue	1,267	351	121
Other revenue	16	2	—
Total revenue	1,283	353	121
(b) ***Other Income***			
Profit on sale of tenement	90	—	—
Profit on sale of shares	605	—	—
Total other income	695	—	—

5. Expenses and Losses/(Gains)

	2007 A$000	*2006 A$000*	*2005 A$000*
(a) ***Finance cost***			
Borrowing costs	(5,114)	(978)	(281)
Interest	(1,085)	(731)	(99)
Imputed interest on deferred consideration	—	(236)	(178)
Debt repayment expense	(583)	—	—
	(6,782)	(1,945)	(558)
(b) ***Employee benefits expense***			
Salaries and wages	(3,522)	(754)	(558)
Superannuation	(116)	(64)	(62)
Payroll tax	(240)	—	—
Annual leave	(109)	(23)	(47)
Relocation expenses	—	(36)	—
Share-based payments expense	(2,284)	(547)	(330)
	(6,271)	(1,424)	(997)
(c) ***Hedging***			
Excluded Component – cash flow hedges	(721)	—	—
	(721)	—	—
(d) ***Other expenses from ordinary activities***			
Audit and accounting fees	(148)	(107)	(105)
Consultancy	(218)	(141)	(20)
Consumables/Materials	(105)	—	—
Motor vehicle expense	(6)	—	—
Fees and charges	(105)	—	—
Stamp duty	(273)	—	—
Foreign exchange losses	(63)	—	—
Fringe benefits tax	(23)	(8)	(2)
Recruitment fees	(50)	(19)	(29)
Other expenses	(38)	—	(25)
	(1,029)	(275)	(181)

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6. Income Tax

The major components of income tax are:

	2007 A$000	2006 A$000	2005 A$000
Income statement			
Current income tax			
Current income tax charge	(2,901)	(3,758)	(5,118)
Adjustments in respects tax of previous years	209	—	5,118
Deferred income tax			
Relating to origination and reversal of temporary differences	(18,731)	1,050	—
Benefit arising from previously unrecognised tax losses of a prior period	—	(1,574)	—
Income tax benefit reported in the income statement	(21,423)	(4,282)	—
Statement of changes in equity			
Deferred income tax related to items charged or credited directly to equity			
Current tax			
Share based payments	(164)	164	—
Capital raising costs	(335)	(258)	—
Deferred tax			
Unrealised gains reserves	23	574	—
Hedging loss reserve	(6,137)	—	—
Income tax (benefit)/expense reported in equity	(6,613)	480	—

Deferred income tax at 30 June relates to the following:

	Balance Sheet			*Income Statement*		
	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000
Deferred tax liabilities						
Exploration	(3,378)	(6,026)	(4,617)	2,649	(1,410)	—
Fixed assets	(45)	—	—	(45)	—	—
Expensed items	(2)	—	—	(2)	—	—
Unrealised foreign exchange gain	(31)	—	—	(31)	—	—
Interest receivable	(11)	(73)	—	62	(73)	—
Financial assets	(429)	(127)	—	—	448	—
Deferred tax liabilities offset against deferred tax assets	3,896	6,226	4,617	—	—	—
Gross deferred income tax liabilities	—	—	—	2,633	(1,035)	—
Deferred tax assets						
Provisions	1,879	67	60	1,812	7	—
Accruals	89	10	17	79	(7)	—
Financial assets	429	—	—	317	—	—
Borrowing costs	951	—	—	951	—	—
Hedge loss	6,353	—	—	216	—	—
Development Costs	12,746	—	—	12,746	—	—
Expensed items	—	23	38	(23)	(15)	—
Tax losses	12,424	9,578	4,502	—	—	—
Deferred tax liabilities offset against deferred tax assets	(3,896)	(6,226)	(4,617)	—	—	—
Gross deferred income tax assets	30,975	3,452	—	16,098	(15)	—
Deferred tax income/(expense)				18,731	(1,050)	—
Deferred tax asset from tax losses not recognised	—	—	1,574			
The CopperCo Group has tax losses arising in Australia (100%)	41,412	31,928	20,252			

This future income tax benefit will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

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A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the CopperCo Group's applicable income tax rate is as follows:

	2007 A$000	*2006 A$000*	*2005 A$000*
Accounting loss before income tax	(77,072)	(7,885)	(2,338)
At the CopperCo Group's statutory income tax rate of 30% (2006: 30%, 2005: 30%)	(23,122)	(2,366)	(701)
Adjustments			
Benefit of R&D Tax offset claimed in the prior year	(346)	(349)	—
Borrowing costs amortised	344	—	—
Share based payments	685	—	—
Under/over provision in prior years	892	—	—
Financial Assets	123	—	—
Benefit of prior year temporary differences recognised	—	(1,574)	—
Expenditure not allowable for income tax purposes	1	7	8
Current year timing differences not recognised	—	—	693
Income tax benefit reported in the consolidated income statement	(21,423)	(4,282)	—

Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, CopperCo and its wholly-owned subsidiaries formed a tax consolidated group. Members of the CopperCo Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a group allocation basis in accordance with principles of AASB 112 *Income Taxes*. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. The head entity of the consolidated group is CopperCo.

CopperCo formally notified the Australian Tax Office of its adoption of the tax consolidation regime when lodging its 30 June 2003 consolidated tax return.

7. Cash and Cash Equivalents

	Consolidated		
	2007 A$000	*2006 A$000*	*2005 A$000*
Cash at bank and in hand	8,657	1,807	237
Short-term deposits	—	39,097	1,584
	8,657	40,904	1,821

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the CopperCo Group, and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents is A$8,656,956 (2006: A$40,904,483, 2005: A$1,821,451).

Reconciliation of net loss after tax to net cash flows from operations

	2007 A$000	*2006 A$000*	*2005 A$000*
Net Loss	(55,649)	(3,603)	(2,338)
Adjustments for			
Borrowing costs	1,144	576	60
Depreciation	91	46	29
Share options expensed	2,284	547	330
Interest received capitalised	—	—	(1)
Write down of exploration	7,342	2,242	—
Impairment of available-for-sale financial assets	1,467	1,493	—
Development expenditure	52,908	—	—
Loss on disposal of property, plant and equipment	—	10	—
Gain on sale of tenement	(90)	—	—
Gain on sale of shares	(605)	—	—
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables	(2,065)	(515)	(5)
(Increase) in deferred tax assets	(27,523)	(3,932)	—
Increase in trade and other payables	10,058	861	294
Increase in annual leave provisions	233	23	47
Net cash flows used in operating activities	(10,405)	(2,252)	(1,584)

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8. Trade and Other Receivables (Current)

	Notes	2007 A$000	2006 A$000	2005 A$000
Goods and services tax	(i)	2,577	323	55
Interest receivables		35	245	—
Trade receivables	(ii)	42	43	21
Less impairment of trade receivables	(ii)	—	(20)	—
		2,654	591	76

Terms and conditions:

(i) Goods and services taxation receivable is non-interest bearing and generally on 14 day terms at the end of each quarter.

(ii) Trade debtors are non-interest bearing and generally on 30 day terms. The amount of the impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

9. Trade and Other Receivables (Non Current)

	Notes	2007 A$000	2006 A$000	2005 A$000
Security deposits	(i)	3,532	290	276
Bonds	(ii)	641	—	—
		4,173	290	276

Terms and conditions:

(i) Security deposits are interest bearing and have an average interest rate of 1.85% per annum. In 2007 A$3.4 million of this amount relates to a security deposit with the Department of Mines and Energy in relation to a Plan of Operations for tenements owned by Lady Annie Operations.

(ii) Bonds are interest bearing and have an average interest rate of 2% per annum.

10. Plant and Equipment

	2007 A$000	2006 A$000	2005 A$000
Plant and equipment			
Plant and equipment at cost			
Lady Annie Operations	46,608	7,258	—
Other	885	231	200
Total	47,493	7,489	200
Accumulated depreciation – other	(167)	(77)	(36)
	47,326	7,412	164
Reconciliation of movements:			
(a) Plant and equipment			
Lady Annie Operations			
Carrying amount at beginning of year	7,258	—	—
Additions	39,350	7,258	—
Depreciation expense	—	—	—
Disposals	—	—	—
Carrying amount at end of year	46,608[1]	7,258	—
Other			
Carrying amount at beginning of year	154	164	1
Additions	655	46	192
Depreciation expense	(91)	(46)	(29)
Disposals	—	(10)	—
Carrying amount at end of year	718	154	164
Total Carrying amount at end of year	47,326	7,412	164

1. This amount has not commenced depreciation during the year on the basis that the plant has not been commissioned.

Assets pledged as security

Included in the total balance of plant and equipment of A$47,325,545 are assets over which fixed and floating charges have been granted as security for loans from banks and other lenders (see note 16). The terms of the fixed charges preclude the assets being sold or being used as security for other lenders without the permission of the charge holder. The charges also require plant and equipment that form part of the security to be fully insured at all times.

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11. Deferred Exploration, Evaluation and Development Expenditure

	Notes	*Exploration and Evaluation Expenditure A$000*	*Development Expenditure A$000*
Year ended 30 June 2005			
At 1 July 2004			
At cost		275	—
Additions		28,126	—
At 30 June 2005		28,401	—
Year ended 30 June 2006			
At 1 July 2005, net of accumulated impairment		28,401	—
Additions		7,824	2,129
Impairment	(i)	(2,242)	—
At 30 June 2006, net of accumulated impairment		33,983	2,129
At 30 June 2006			
Cost		36,225	2,129
Impairment		(2,242)	—
Net carrying amount		33,983	2,129
Year ended 30 June 2007			
At 1 July 2006, net of accumulated impairment		33,983	2,129
Additions		8,074	3,091
Transfer from Exploration and Evaluation Expenditure to Development Expenditure		(19,723)	19,723
Impairment	(i)	(7,342)	—
At 30 June 2007, net of accumulated impairment		14,992	24,943
At 30 June 2007			
Cost		24,576	24,943
Impairment		(9,584)	—
Net carrying amount		14,992	24,943

Exploration, evaluation and development expenditure have been capitalised at cost. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

(i) Carrying values for certain Tenements were reviewed and given that no substantive expenditure for further exploration in the specific areas has been budgeted and exploration for and evaluation of Mineral Resources in the specific area has not led to the discovery of commercially viable quantities of Mineral Resources and it was decided to discontinue such activities in the specific areas, it was decided to write off the carrying values A$7,341,769 (2006: A$2,242,433, 2005: nil) of the affected tenements.

12. Available-for-Sale Financial Investments

	Notes	*2007 A$000*	*2006 A$000*	*2005 A$000*
Investments at fair value				
Opening balance/value at date acquired		6,128	5,706	5,706
Impairment	(i)	(1,467)	(1,493)	—
Conversion convertible note	(ii)	(2,083)	—	—
Investment – Stirling Minerals	(iii)	100	—	—
Investment – Zambezi Resources	(iv)	4,053	—	—
Revaluation	(v)	682	1,915	—
Closing balance	(vi)	7,413	6,128	5,706

(i) The 2007 impairment in Universal Resources Limited was created as the decline in value was prolonged or significant as per AASB 136.61. On 30 June 2007 the quoted market bid price used was A$0.096. The 2006 impairment arose on 31 December 2005 when the quoted market bid price used was A$0.11.

(ii) On 13 March 2007 CopperCo transferred 13,439,832 ordinary shares in Universal Resources Limited to LinQ Capital Limited in satisfaction of an outstanding loan of A$1,500,000. The quoted market bid price used was A$0.155.

(iii) On 8 May 2007 Millenium Minerals Operations Pty Ltd sold its interest in the Quidong tenement (EL 5671) for a consideration of 500,000 shares in Stirling Minerals at a share price of A$0.20 resulting in an investment of A$100,000.

(iv) On 5 June 2007, CopperCo entered into an agreement for the right to acquire 8,000,000 fully paid ordinary shares in the issued capital of Zambezi. The loan arising was repayable in shares or in cash and interest free. Available-for-sale investments gains are measured at fair value with loss being recognised as a separate component of equity through the Net Unrealised Gains Reserve until the investment is derecognised

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or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. On 5 June 2007 and 30 June 2007, the quoted market bid price used was A$0.507 and A$0.616 respectively.

(v) The 2007 revaluations relate to Universal Resources Limited of (A$191,487) and Zambezi A$873,992 (2006: Universal Resources Limited). The quoted market bid prices used were A$0.155 (2006: A$0.16) for Universal Resources Limited and A$0.421 for Zambezi.

(vi) Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. Quoted market value at balance date of investment listed on prescribed stock exchange was A$7,412,776 (2006: A$6,127,607 and 2005: 5,705,458). The listed shares are the CopperCo 8.95% (2006: 14.7%, 2005: 16.8%) ownership interest in Universal Resources Limited, 0.02% ownership interest in Stirling Minerals Limited and 4.3% ownership interest in Zambezi.

13. Trade and Other Payables (Current)

	Notes	*2007 A$000*	*2006 A$000*	*2005 A$000*
Trade payables	(i)	21,651	2,895	842
Superannuation & PAYG payable		331	87	69
Employee payroll tax		152	—	—
Other	(ii)	—	3,000	2,765
		22,134	5,982	3,676

Terms and conditions:

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

(ii) Other payables comprise the A$3 million deferred payment for acquiring an interest in the Lady Annie Project sublease, which was settled during 2007 through the issue of shares (refer Note 20). The 2005 amount was discounted using the incremental borrowing rate of 8.8%.

14. Provisions (Current)

	Notes	*2007 A$000*	*2006 A$000*	*2005 A$000*
Employee annual leave		252	71	47
Employee Sick Leave		52	—	—
Contingent payment	(i)	—	1,000	—
		304	1,071	47

(i) The Lady Annie transaction comprises the acquisition of Buka Minerals (Lady Loretta) Pty Ltd ("BMLL") and the 49% direct interest in the Lady Annie Project. Under the terms of this acquisition Copperco was required to make a contingent payment of A$1 million upon Copper Co executing a finance facility for the development of the Lady Annie Copper deposit and that finance facility becomes unconditionally available to draw down. During 2007 CopperCo has satisfied the conditions above and settled the A$1m liability through issue of shares (refer Note 20).

15. Interest Bearing Liabilities (Current)

	Notes	*2007 A$000*	*2006 A$000*	*2005 A$000*
Unsecured loan	(i)	—	4,386	—
Secured loan	(ii)	3,512	2,500	—
		3,512	6,886	—

(i) Loan was repaid on 29 June 2007. At 2006 loan was repayable not later than 27 May 2007. Interest compounded monthly and was payable quarterly based on the 3 month bank bill rate plus 3% The LinQ options were issued as a condition to the provision of a A$5 million financing facility and amortised over two years from the date of issue.

(ii) 2007 amount relates to CopperCo's liability for its option interest in Zambezi and is secured on the investment in Zambezi. This amount represents the future value of cash flows discounted to its present value (refer Note 12). 2006 Loan was repaid on 10 November 2006. At 2006 loan was repayable not later than 30 September 2006. Interest compounded monthly and was payable quarterly based on 9%. The loan was secured against the 38,297,546 shares, which CopperCo held in Universal Resources Limited, with a market value of A$6,127,607.

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16. Interest Bearing Liabilities (Non-Current)

	Notes	2007 A$000	2006 A$000	2005 A$000
Secured loan				
LinQ Loan	(i)	—	1,500	—
Subordinated debt facility	(ii)	14,911	—	—
Senior debt facility	(iii)	19,000	—	—
Bank guarantee	(iv)	3,419	—	—
Unsecured loan	(v)	—	2,000	3,810
		37,330	3,500	3,810

Terms and conditions related to the above financial instrument:

(i) On 13 March 2007 A$1.5 million secured loan was repaid through the transfer of 13,439,832 ordinary shares in Universal Resources Limited to LinQ Capital Limited. Loan was repayable not later than 30 September 2007. Interest compounded monthly and was payable quarterly based on 9%. The loan was secured against the 38,297,546 shares, which CopperCo held in Universal Resources Limited, with a market value of A$6,127,607.

(ii) Subordinated Debt Facility of A$14,910,822 is repayable no later than 30 June 2010. Interest compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%. 20,000,000 options were issued as a condition to the provision of the financing facility and are amortised from the date of issue.

(iii) Senior Debt Facility of A$19,000,000 is repayable no later than 30 June 2010. Interest compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%.

(iv) Bank Guarantee of A$3,418,824 is repayable no later than 30 June 2010. Interest compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%.

(v) The 2006 LinQ Capital Limited loan was repaid by the issue of 5,714,285 CopperCo Shares at A$0.35 on 29 June 2007 (refer Note 20). Loan was repayable not later than 1 July 2007 or conversion into CopperCo Shares at the price of any placement between date of agreement and the conversion date, or at 90% of 5-day VWAP of CopperCo shares in the event that the placement was not undertaken during this period. Interest compounded monthly and was payable quarterly based on 9%. The 2005 loan was repayable not later than 27 May 2007. Interest compounded monthly and was payable quarterly based on the 3 month bank bill rate plus 3%. The LinQ options were issued as a condition to the provision of a A$5 million financing facility and amortised over two years from the date of issue.

Secured loans (items ii, iii and iv) are secured by a fixed and floating charge over all assets and undertaking of the Company, an equitable mortgage over the shares the Company holds in certain of its subsidiaries, an equitable mortgage of contractual rights and a Mining Act mortgage over certain mining tenements held by the Company.

At 30 June, the following facilities had been negotiated and were available:

	Notes	2007 A$000	2006 A$000	2005 A$000
Financing Arrangements				
Bank loan facilities				
Total facilities				
Subordinated Debt Facility		20,000	—	—
Senior Facility		60,000	—	—
Other facilities		—	11,000	5,000
Total Facilities		80,000	11,000	5,000
Facilities used at reporting date				
Subordinated Debt Facility		20,000	—	—
Senior Facility		19,000	—	—
Other facilities		—	11,000	5,000
Total Facilities used at reporting date		39,000	11,000	5,000
Facilities unused at reporting date				
Senior Facility		41,000	—	—
Total Facilities unused at reporting date		41,000	—	—

17. Provisions (Non–Current)

		Consolidated		
	Notes	2007 A$000	2006 A$000	2005 A$000
Rehabilitation and Restoration	(i)	5,808	151	151
		5,808	151	151

(i) A provision for rehabilitation and restoration is recognised in relation to the mining activities for costs such as reclamation, waste site closure, plant closure and other costs associated with the restoration of a mining site. Estimates of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

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Movements in provisions:

	2007 A$000	*2006 A$000*	*2005 A$000*
Restoration			
Carrying amount at beginning	151	151	—
Additional provision	5,656	—	151
Amounts utilised during the year	—	—	—
Carrying amount at end	5,807	151	151

18. Interests in Subsidiaries

	Country of Incorporation	*Percentage of Equity Interest Held by the Consolidated Entity*		
		2007 %	*2006 %*	*2005 %*
CopperCo Queensland[1]	Australia	100	—	—
Millennium Minerals Pty Ltd[1]	Australia	100	100	100
Millennium Minerals (Operations) Pty Ltd[2]	Australia	100	100	100
Copperwell Pty Ltd[3]	Australia	100	100	100
Lady Annie Pty Ltd[3]	Australia	100	100	100
Lady Annie Operations (Formerly Reefway Pty Ltd)[3]	Australia	100	100	100
Savannah Resources[3]	Australia	100	100	100

[1] Investments are held by CopperCo Limited

[2] Investments are held by Millennium Minerals Pty Ltd

[3] Investments are held by CopperCo Queensland

19. Change in Composition of Entity

19.1 On 28 September 2004, CopperCo acquired 100% ownership of the Lady Annie Project by acquiring 100% of the issued capital of Buka Minerals (Lady Loretta) Pty Ltd, which holds a 51% interest in the Lady Annie Project, from Buka Minerals and a 49% direct interest in the Lady Annie Project from Buka Minerals (Lady Loretta No 2) Pty Ltd. The principal activity of Buka Minerals is the exploration and evaluation of the company's mineral interest. The components of the acquisition costs were:

	As at 30 June 2005 A$000
Consideration	
Issue of shares	6,000
Cash	2,000
Deferred payments	2,586
Acquisition cost	1,009
	11,595
Net assets acquired	
Exploration and evaluation expenditure	4,366
Exploration potential	7,229
	11,595
Net cash effect	
Cash consideration and acquisition cost paid	2,694
Cash included in net assets acquired	—
	2,694

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19.2 On 28 September 2004, CopperCo acquired 100% of the issued capital of Reefway Pty Ltd from Pegmont Mines NL, a company listed on the Newcastle Stock Exchange with a 76.7% interest, Pegasus Enterprises Ltd, an unlisted company related to Pegmont with a 14.3% interest, and Goldsearch Limited with a 9% interest. The principal activity of Reefway Pty Ltd is the exploration and evaluation of the company's mineral interest in the Mount Isa block. The components of the acquisition costs were:

	As at 30 June 2005 A$000
Consideration	
Issue of shares	1,333
Cash	3,060
Deferred payments	1,000
Acquisition cost	330
	5,723
Net assets acquired	
Cash	1
Receivables	87
Exploration and evaluation expenditure	3,100
Trade creditors	(5)
Loans	(151)
Fair value of net tangible assets	3,032
Exploration potential	2,691
	5,723
Net cash effect	
Cash consideration and acquisition cost paid	4,235
Cash included in net assets acquired	(1)
	4,234

19.3 On 27 September 2004, CopperCo acquired 100% of the issued capital of Savannah Resources from International Base Metals Limited. The principal activity of Savannah Resources is the exploration and evaluation of the company's mineral interest in the Mount Isa block. The components of the acquisition costs were:

	As at 30 June 2005 A$000
Consideration	
Issue of shares	3,267
Acquisition cost	204
	3,471
Net assets acquired	
Cash	20
Receivables	29
Plant and equipment	28
Exploration and evaluation expenditure	829
Trade creditors	(82)
Loans	(1,432)
Fair value of net tangible assets	(608)
Exploration potential	4,079
	3,471
Net cash effect	
Cash consideration and acquisition cost paid	110
Cash included in net assets acquired	(20)
	90

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20. Contributed Equity and Reserves

	2007		2006		2005	
	Number of Shares	A$000	Number of Shares	A$000	Number of Shares	A$000
(a) ***Issued and paid up capital***						
Ordinary shares fully paid	407,619,978	159,551	337,461,255	124,525	1,688,055,959	74,107

(b) ***Movements in shares on issue***

	Notes	Number of Shares	A$000
30 June 2004		289,361,875	46,720
Public equity raising	(i)	550,000,000	11,000
Public equity raising (Cartesian)	(ii)	203,545,637	4,478
Non cash investing activities Savannah	(iii)	163,333,333	3,267
Non cash investing activities Reefway	(iv)	66,666,666	1,333
Non cash investing activities Buka	(v)	300,000,000	6,000
Consideration for Universal	(vi)	91,148,448	1,872
Placement of 24,000,000 shares at 2.2 cents per share	(vii)	24,000,000	528
Less transaction costs relating to items (i) (ii) and (vii)		—	(1,092)
30 June 2005		1,688,055,959	74,106
Public equity raising	(viii)	241,176,480	4,100
Issue of shares in payment of interest	(ix)	6,572,982	109
Issue of shares in payment of interest	(x)	4,301,397	107
Total before share consideration		1,940,106,818	
Consolidated	(xi)	194,010,682	
Rounding up on 10 to 1 share consolidation		575	—
Income tax expense reported in equity		—	258
Public equity raising	(xii)	135,449,998	47,407
Issue of shares for options exercised	(xiii)	8,000,000	1,600
Less transaction costs relating to items (viii), (ix), (x) and (xii)		—	(3,162)
30 June 2006		337,461,255	124,525
Public equity raising	(xiv)	54,444,438	30,000
Issue of shares in payment of A$3 million deferred payment	(xv)	7,500,000	3,000
Issue of shares in payment of A$1 million contingent payment	(xvi)	2,500,000	1,000
Issue of shares in settlement of loan liability	(xvii)	5,714,285	2,000
Less transaction costs relating to items (xiv), (xv), (xvi) and (xvii)		—	(1,309)
Tax effect of transaction costs		—	335
30 June 2007		407,619,978	159,551

(i) On 28 September 2004, the Company issued 496,952,500 ordinary shares at A$0.02 per share. On 12 October 2004 the Company issued 53,047,500 ordinary shares at A$0.02 per share. The A$11 million placement was made to allow the Company to complete the acquisition transaction.

(ii) On 22 December 2004, the Company issued 203,545,637 ordinary shares at A$0.022 per share. The proceeds of the issue were used to fund the purchase of shares in Universal.

(iii) On 27 September 2004, CopperCo acquired 100% of the issued capital of Savannah Resources from International Base Metals Limited.

(iv) On 28 September 2004, CopperCo acquired 100% of the issued capital of Reefway Pty Ltd from Pegmont Mines NL.

(v) On 28 September 2004, CopperCo acquired 100% ownership of the Lady Annie Project by acquiring 100% of the issued capital of Buka Minerals (Lady Loretta) Pty Ltd.

(vi) On 23 March 2005, the Company issued 80,671,086 ordinary shares at A$0.021 per share. On 8 April 2005, the Company issued 135,180 ordinary shares at A$0.018 per share. On 20 April 2005, the Company issued 7,601,628 ordinary shares at A$0.018 per share. On 17 May 2005, the Company issued 2,740,554 ordinary shares at A$0.014 per share. The proceeds of the issue were used to fund the purchase of shares in Universal Resources Limited.

(vii) On 27 April 2005, the Company issued 24,000,000 ordinary shares at A$0.022 per share. The proceeds of the issue were used to fund the purchase of shares in Universal Resources Limited and working capital purposes.

(viii) On 28 December 2005, the Company issued 241,176,480 (24,117,648 post consolidation) ordinary shares at A$0.017 (A$0.17 post consolidation) per share. The A$4,100,000 placement was used to fund the Lady Annie Project feasibility study, working capital and capital raising costs.

(ix) On 9 February 2006, the Company elected to settle interest payable on a loan facility through allotment and issue of 6,572,982 (657,298 post consolidation) ordinary shares at A$0.0166 (A$0.166 post consolidation) per share to LinQ Corporate.

(x) On 20 April 2006, the Company elected to settle interest payable on a loan facility through allotment and issue of 4,301,397 (430,140 post consolidated) ordinary shares at A$0.0248 (A$0.248 post consolidation) per share to LinQ Corporate.

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(xi) On 12 May 2006, the Company undertook a consolidation of all the issued capital of the Company on the basis that every ten (10) existing fully paid ordinary shares in the capital of the Company be consolidated into one (1) fully paid ordinary share. The consolidation was done by rounding up existing share holdings.

(xii) On or about 18 May 2006, the Company issued 135,449,998 ordinary shares at A$0.35 per share. The A$47,407,499 placement was made to fund the Lady Annie Project feasibility study, working capital and capital raising costs.

(xiii) On 30 June 2006, the Company issued 8,000,000 ordinary shares at A$0.20 per share in exercise of options held by Minsec Australia given in consideration for services provided to the Company.

(xiv) On 13 March 2007, the Company issued, as part of Tranche 1 of a A$30 million placement 51,111,105 CopperCo Shares at A$0.45 per share raising A$23 million and used by CopperCo to fund continuing exploration and the planned production expansion of the Lady Annie Project.

Tranche 2 of the placement involved the issue of a further 3,333,333 CopperCo Shares at A$0.45 per share to Minsec Australia on 7 May 2007 to raise A$1.5 million. In addition Minsec Australia was issued with Convertible Notes for A$5.5 million to raise a total for Tranche 2 of A$7 million. The A$7 million placement was also used to fund continuing exploration and the planned production expansion of the Lady Annie Project.

(xv) On 12 October 2006, the Company elected to settle the A$3 million deferred payment in relation to the purchase of the Lady Annie Project from Buka Minerals through the allotment and issue of 7,500,000 ordinary shares at A$0.40 per share to Buka Minerals.

(xvi) In accordance with the terms of the acquisition of Buka Minerals (Lady Loretta No. 2) Pty Ltd and the 49% direct interest in the Lady Annie Project entered into September 2004, CopperCo was required to make a contingent payment of A$1 million upon the execution of the finance facility for the development of a mine on the Lady Annie Project. In July 2006 the Company entered into a Debt payment agreement with Buka Minerals which required CopperCo to repay the contingent payable through the issue of shares. On 29 June 2007 the Company issued 1,225,000 and 1,275,000 ordinary shares to Buka Minerals and Buka Minerals (Lady Loretta No. 2) Pty Ltd respectively at A$0.40 per share to extinguish this liability.

(xvii) On 29 June 2007, the Company elected to settle a A$2 million loan facility through the allotment and issue of 5,714,285 ordinary shares at A$0.35 per share to LinQ Resources Fund.

(c) ***Terms and conditions of contributed equity***

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

On 23 May 2006, the consolidation undertaken by the Company resulted in all the options of ordinary shares consolidating on the basis that every option over ten (10) ordinary shares in the capital of the Company be consolidated into one (1) ordinary share.

Effective 1 July 1998 the corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued capital.

Options over ordinary shares

At 30 June 2007 there were 64,080,000 unissued options over ordinary shares on issue (2006: 33,680,000, 2005: 403,980,000 (40,398,000 post consolidation)).

On 28 September 2004, the Company paid a success fee to Minsec Australia comprising of A$250,000 and 80 million unlisted CopperCo options exercisable at the A$0.02 and exercisable on or before 30 June 2006. The success fee was paid in recognition of Minsec Australia originating the CopperCo acquisitions and managing the acquisition process. These options were exercised on 30 June 2006 and are therefore no longer classified as options, but form part of the share capital of the Company.

As at 30 June 2007, unissued ordinary shares of the Company under options on a consolidated basis were as follows:

Expiry Date	*Notes*	*Exercise Price*	*Number of Options*
30 June 2010	(i)	A$0.20	1,380,000
30 June 2008	(ii)	A$0.20	7,300,000
28 May 2008	(iii)	A$0.20	25,000,000
30 June 2010	(iv)	A$0.45	4,000,000
30 June 2010	(v)	A$0.55	750,000
30 June 2010	(vi)	A$0.60	750,000
30 June 2010	(vii)	A$0.65	20,000,000
18 July 2011	(viii)	A$0.37	4,900,000

(i) On 1 July 2005, the Company issued employees with 14,800,000 (1,480,000 post consolidation) unlisted options. The options give the right to subscribe for one ordinary share in CopperCo exercisable at A$0.02 (A$0.20 post consolidation) on or before 30 June 2010. Half of the options vest immediately, with the remaining half vest one year after issue. 100,000 options have been forfeited during the 2006 year due to the resignation of one employee.

(ii) On 28 September 2004, the Company issued Mr Brian Rear with 50,000,000 (5,000,000 post consolidation) unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options to be issued to Mr Rear will give the right to subscribe for one ordinary share in CopperCo exercisable at the A$0.02 (A$0.20 post consolidation) on or before 30 June 2008. The options vested upon financing for a 10,000 tonne per year copper cathode operation by CopperCo.

On 28 September 2004, the Company issued Mr Stephen Blackman with 15,000,000 (1,500,000 post consolidation) unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options to be issued to Mr Blackman will give the right to subscribe for one ordinary share in CopperCo exercisable at the A$0.02 (A$0.20 post consolidation) on or before 30 June 2008. The options vested upon financing for a 10,000 tonne per year copper cathode operation by CopperCo.

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On 28 September 2004, the Company issued Dr Ken Maiden with 8,000,000 (800,000 post consolidation) unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options to be issued to Dr Maiden will give the right to subscribe for one ordinary share in CopperCo exercisable at the A$0.02 (A$0.20 post consolidation) on or before 30 June 2008. The options vested upon financing for a 10,000 tonne per year copper cathode operation by CopperCo.

(iii) On 24 May 2005, the Company issued LinQ Resources Fund options to subscribe for 250,000,000 (25,000,000 post consolidation) shares in the Company at an exercise price of A$0.02 (A$0.20 post consolidation) per share. The options are exercisable at any time prior to their expiry with the expiry being three years subsequent to their issue date. The options were issued as a condition to the provision of a A$5 million financing facility.

(iv) On 12 October 2006, the Company issued Mr Brian Rear with 1,500,000 unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options issued each provide for the right to subscribe for one ordinary share in CopperCo exercisable at A$0.45 per share. The options provided to Mr Rear will only vest on the sustainable production of cathode and delivery of product at or lower than budget capital expenditure.

On 12 October 2006, the Company issued Mr Keith Liddell with 1,500,000 unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options issued each provide for the right to subscribe for one ordinary share in CopperCo exercisable at A$0.45 per share.

On 12 October 2006, the Company issued Mr Richard Basham with 1,000,000 unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options issued each provide for the right to subscribe for one ordinary share in CopperCo exercisable at A$0.45 per share.

(v) On 12 October 2006, the Company issued Mr Brian Rear with 750,000 unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options issued each provide for the right to subscribe for one ordinary share in CopperCo exercisable at A$0.55 per share. The options provided to Mr Rear will only vest on project operating costs for the period 1 July 2007 to 30 June 2008 to be at or lower than budget.

(vi) On 12 October 2006, the Company issued Mr Brian Rear with 750,000 unlisted options to provide an incentive and loyalty driven component to his remuneration package. The options issued each provide for the right to subscribe for one ordinary share in CopperCo exercisable at A$0.60 per share. The options provided to Mr Rear will only vest on copper production for the period 1 July 2008 to 30 June 2009 to be in accordance with or higher than budget.

(vii) On 11 May 2007, the Company issued Macquarie Bank, Glencore Ltd and LinQ Resources Fund, options to subscribe for 7,500,000, 7,500,000 and 5,000,000 million respectively (post consolidation) shares in CopperCo at an exercise price of A$0.65. The expiry date is 30 June 2010. The options were issued as a condition to the provision of a A$20 million financing facility.

(viii) On 17 July 2006, the Company issued employees with 4,900,000 unlisted options. The options give the right to subscribe for one ordinary share in CopperCo exercisable at A$0.37 on or before 18 July 2011. Half of the options vest immediately, with the remaining half vesting one year after issue.

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21. Reserves and Accumulated Losses

	Notes	2007 A$000	2006 A$000	2005 A$000
Reserves	21(a), (b), (c), (d)	(2,055)	3,753	2,030
Accumulated losses	21(e)	(106,628)	(50,979)	(47,376)
(a) Option/employee reserve:				
Balance at the beginning of year		2,412	2,030	30
Minsec Share Options		—	—	420
LinQ options		—	—	1,250
Employee share options		1,344	110	—
Director share options		941	436	330
Tax effect – employee share reserve		164	(164)	—
Options issued as payment of debt issue costs		5,620	—	—
Balance at end of year		10,481	2,412	2,030
(b) Net unrealised gains reserve:				
Balance at the beginning of year		1,341	—	—
Revaluation of available-for-sale investments		874	1,915	—
Diminution in value of available for sale investments		(192)	—	—
Realised gain on sale of available for sale investments		(605)	—	—
Tax effect		(23)	(574)	—
Balance at end of year		1,395	1,341	—
(c) Derivative equity reserve:				
Balance at the beginning of year		—	—	—
Losses on Cash flow hedges		(20,458)	—	—
Tax effect		6,137	—	—
Balance at end of year		(14,321)	—	—
(d) Equity Other:				
Balance at the beginning of year		—	—	—
Investment – Zambezi		557	—	—
Tax effect		(167)	—	—
Balance at end of year		390	—	—
(e) Accumulated losses movement:				
Balance at the beginning of year		(50,979)	(47,376)	(45,038)
Net loss attributable to members of CopperCo		(55,649)	(3,603)	(2,338)
Balance at end of year		(106,628)	(50,979)	(47,376)

Nature and purpose of reserves

Option Reserve

The CopperCo Group provides benefits to employees (including senior executives) of the CopperCo Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares. The Option reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 23 and Note 24 (c) for further details of these plans.

Net Unrealised Gains Reserve

Available-for-sale investments consist of investments in ordinary shares which are measured at fair value after initial recognition. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Impairment losses are recognised in the Income Statement and gains and losses are recognised as a separate component of equity through the Net Unrealised Gains Reserve until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

Derivatives Reserve

IAS 39 requires that all financial assets and liabilities, including derivative instruments are to be recognised on the balance sheet. If a hedge relationship qualifies for hedge accounting under IAS 39 then the gain or loss on the hedging instrument may be deferred to equity, the derivative reserve account, until the hedge relationship ends or becomes ineffective, at which time the gain or loss shall be recognised in profit and loss. This helps to prevent volatility in the profit and loss accounts each reporting period.

Other Reserve

This reserve records the equity component of convertible notes issued.

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22. Earnings Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2007 A$000	*2006 A$000*	*2005 A$000*
Net loss	(55,649)	(3,603)	(2,338)
Earnings used in calculating basic and diluted earnings per share	(55,649)	(3,603)	(2,338)
	Number of Shares	*Number of Shares*	*Number of Shares*
Weighted average number of ordinary shares used in calculating basic loss per share	349,231,202	195,870,433	127,790,225
Effect of dilution – share options	65,685,918	—	—
Weighted average number of shares adjusted for the effect of dilution	414,917,120	—	—

23. Share Based Payment Plans

The CopperCo Group provides benefits to employees (including senior executives) of the CopperCo Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

As at 30 June 2007 there was one plan in place to provide these benefits, the 2004 Plan, which provides benefits to directors, senior executives and employees. The purpose of the 2004 Plan is to:

(a) recognise the ongoing ability of the employees of the Company and their expected efforts and contribution in the long term to the performance and success of the Company;

(b) provide an incentive to the employees of the Company to remain in their employment in the long term;

(c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and

(d) provide employees of the Company with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with the Rules of the 2004 Plan.

Under AASB 2 Share-based Payments from 1 July 2005 the CopperCo Group is required to recognise an expense for those option that were issued to employees. The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of movements in employee share options issued during the year:

	2007 No.	*2007 WAEP*	*2006 No.*	*2006 WAEP*	*2005 No.*	*2005 WAEP*
Outstanding at the beginning of the year	8,680,000	A$0.20	73,000,000	A$0.02	—	—
Post Consolidation (10 to 1 basis)	8,680,000	A$0.20	7,300,000	A$0.20	—	—
Granted during the year	4,900,000	A$0.37	1,480,000	A$0.20	73,000,000	A$0.02
	4,000,000	A$0.45	—	—	—	—
	750,000	A$0.55	—	—	—	—
	750,000	A$0.60	—	—	—	—
Forfeited during the year	—	—	(100,000)	A$0.20	—	—
Exercised during the year	—	—	—	—	—	—
Expired during the year	—	—	—	—	—	—
Outstanding at the end of the year	19,080,000	A$0.33	8,680,000	A$0.20	—	—
Exercisable at the end of the year	13,630,000	A$0.28	1,380,000	A$0.20	73,000,000	A$0.02

The 2006 options and prices have been restated subsequent to a 10 to 1 consolidation of share capital.

The outstanding balance as at 30 June 2007 is represented by:

- 1,380,000 unlisted employee options over ordinary shares with an exercise price of A$0.20 exercisable until 30 June 2010;
- 7,300,000 unlisted executive options over ordinary shares with an exercise price of A$0.20, vesting upon financing for a 10,000 tonne per year copper cathode operation by CopperCo and exercisable until 30 June 2008.
- 1,500,000 unlisted executive options exercisable at A$0.45 per share. The options will only vest on the sustainable production of cathode and delivery of product at or lower than budget capital expenditure. They are exercisable until 30 June 2010.
- 2,500,000 unlisted executive options exercisable at A$0.45 per share vesting on 12 October 2006 and exercisable until 30 June 2010.
- 750,000 unlisted executive options exercisable at A$0.55 per share. The options will only vest on project operating costs for the period 1 July 2007 to 30 June 2008 to be at or lower than budget. They are exercisable until 30 June 2010.
- 750,000 unlisted executive options exercisable at A$0.60 per share. The options will only vest on copper production for the period 1 July 2008 to 30 June 2009 to be in accordance with budget. They are exercisable until 30 June 2010.
- 4,900,000 unlisted employee options over ordinary shares exercisable at A$0.37 with the first half vesting on 17 July 2006 and the second half vesting on 18 July 2007 and exercisable until 18 July 2011.

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The weighted average remaining contractual life for the share options outstanding as at 30 June 2007 is between 1 and 4 years (2006: 2-4 years, 2005: 2 years).

The exercise price for options outstanding at the end of the year was A$0.37, A$0.45, A$0.55, A$0.60 (2006: A$0.20, 2005: A$0.02 (A$0.20 post consolidation)).

The weighted average fair value of options granted during the year was A$0.33 (2006: A$0.08, 2005: A$0.11).

The fair value of the equity-settled share options granted under the options is estimated as at the date of grant using a binomial model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2005, 30 June 2006 and 30 June 2007:

	Granted on 12 October 2006	*Granted on 17 July 2006*	*Granted on 1 July 2005*	*Granted on 28 Sept 2004*
Dividend yield (%)	0%	0%	0%	0%
Expected volatility (%)	54%	68%	73%	60%
Risk-free interest rate (%)	6%	6%	5.50%	5.75%
Expected life of option (years)	3.75	5	5	3.75
Option exercise price (A$)	A$0.45 – A$0.60	A$0.37	A$0.20	A$0.20
Weighted average share price at grant date	A$0.47 – A$0.62	A$0.45	A$0.14	A$0.21

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The dividend yield reflects the assumption that no dividends will be paid out. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

24. Director and Executive Disclosure

(a) ***Details of Key Management Personnel***

(i) *Directors*

K.S. Liddell	*Chairman (non-executive)*
R.J. Basham	*Director (non-executive)*
B.J. Rear	*Managing Director (executive)*
Hon. J.C. Moore AO	*Director (non-executive)*
P. J. Patrikeos	*Director (non-executive)*
S.E. Blackman	*Director (executive)* (Resigned 31 July 2006)

(ii) *Executives*

S. Pooley	*General Manager – Exploration and Business Development*
P. Hartog	*Chief Financial Officer / Joint Company Secretary*
B. Deans	*General Manager – Operations*
P. Martinkus	*Site General Manager* (Appointed 29 May 2006)
R. Jones	*Project Manager – Engineering* (Appointed 1 March 2006)
K. Maiden	*Chief Geologist* (Resigned 31 July 2006)

(b) ***Compensation of Key Management Personnel***

(i) *Compensation policy*

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Significant portion of executive remuneration "at risk", dependent upon meeting pre-determined performance benchmarks.

Remuneration Committee

The Remuneration Committee of the Board of Directors of CopperCo is responsible for determining and reviewing compensation arrangements for the Directors and executives. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance.

In addition, all executives may be granted annual bonuses or options at the discretion of the Remuneration Committee and upon the increase in shareholder wealth resulting from the Company's increase in market capitalisation and achievement of annual corporate profitability measures, the most important being return on shareholder's equity.

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Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director, senior manager and executive Director remuneration is separate and distinct.

Non-executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 13 September 2004 when shareholders approved an aggregate remuneration of A$200,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. An additional fee is also paid for each Board Committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

Non-executive Directors are encouraged by the Board to hold shares in the Company (purchased by the Director on market). It is considered good governance for Directors to have a stake in the Company whose Board he or she sits. The non-executive Directors of the Company can participate in the 2004 Plan which provides incentives where specified criteria are met.

The remuneration of non-executive Directors for the period ending 30 June 2007 is detailed in Table (i) of Note 24(b).

Senior managers and executive Director remuneration

Objective

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for company, business unit and individual performance, against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level of make-up of executive remuneration, the Remuneration Committee engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration.

The proportion of fixed remuneration and variable remuneration (short and long term incentives) is established for each senior manager and executive Director by the Remuneration Committee.

In ensuring remuneration is competitive with market standards and as recognition of the implementation of risk management systems and frameworks and project financing and capital raisings, one of the senior managers received a cash bonus for the financial period ended 30 June 2007.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of companywide and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices. As noted above, the Committee has access to external advice independent of management.

Structure

Senior managers and executive Directors are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Currently the Company has 5 senior managers and their fixed remuneration component is detailed in Table (i) of Note 24(b). The fixed remuneration component of executive Directors for the period ending 30 June 2007 is detailed in Table (i) of Note 24(b) of this report.

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Variable Remuneration – Long Term Incentive ("LTI")

Objective

The objective of the 2004 Plan is to reward senior managers and executive Directors in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Structure

LTI grants to executives are delivered in the form of options. The Company granted options to senior managers and executive directors in July 2006 and October 2006 resulting from a recommendation by the Remuneration Committee who assessed the appropriateness of the nature and amount of emoluments of such senior managers and executive directors by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team. These rewards are also linked to the increase in shareholder wealth resulting from the Company's increase in market capitalisation.

Employment contracts

The Managing Director, Mr Rear, is employed under contract. The current employment contract commenced on 16 June 2004. Under the terms of the present contract:

- Mr Rear may resign from his position and thus terminate this contract by giving 6 months written notice. On resigning, any options will be forfeited.
- The Company may terminate this employment agreement by providing 12 months' written notice or provide payment in lieu of the notice (based on the fixed component of Mr Rear's remuneration). On termination on notice by the Company, any LTI options that have vested, or will vest during the notice period will be released. LTI options that have not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

(i) Compensation of Key Management Personnel for the year-ended 30 June 2007

	Salary & fees A$	*Short Term Cash Bonus A$*	*Non monetary A$*	*Post Employment Superannuation A$*	*Share-Based Payments Options A$*	*Total A$*	*Total Performance Related*
Directors							
K.S. Liddell	80,250[1]	—	—	—	315,000	395,250	80%
R.J. Basham	50,459	—	—	4,541	210,000	265,000	79%
B.J. Rear	364,947	—	5,719	29,824	577,500	977,990	59%
P.J. Patrikeos	27,383	—	—	2,465	—	29,848	—
Hon. J.C. Moore AO	25,195	—	—	—	—	25,195	—
S.E. Blackman	—	—	—	—	7,612	7,612	100%
Executives							
P. Martinkus	190,000	—	—	17,100	140,000	347,100	40%
S. Pooley	190,000	—	—	17,100	224,000	431,100	52%
P. Hartog	190,000	40,000[2]	—	17,100	224,000	471,100	48%
B. Deans	190,000	—	—	17,100	140,000	347,100	40%
R. Jones	227,000	—	—	20,340	140,000	387,340	36%
	1,535,234	40,000	5,719	125,570	1,978,112	3,684,635	

Note:

1. Minsec Australia received these fees for Mr K S Liddell's services provided to CopperCo as a Non-Executive Director.
2. The bonus was granted in December 2006 to Mr Phillip Hartog to ensure his remuneration is competitive with market standards and as recognition of past performance.

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(ii) Compensation of Key Management Personnel for the year-ended 30 June 2006

	Salary & fees A$	*Short Term Cash Bonus A$*	*Non monetary A$*	*Post Employment Super-annuation A$*	*Share-Based Payments Options A$*	*Total A$*	*Total Performance Related*
Directors							
K.S. Liddell	50,000[1]	—	—	—	—	50,000	—
R.J. Basham	30,000	—	—	2,700	—	32,700	—
B.J. Rear	226,911	—	4,900	20,422	524,628	776,861	68%
S.E. Blackman	145,366	—	—	13,083	157,388	315,837	50%
Executives							
K. Maiden (Resigned 31 July 2006)	123,989	—	—	11,159	83,940	219,088	38%
S. Pooley	150,000	40,000[2]	—	13,500	32,000	235,500	31%
P. Hartog	146,789	—	—	13,211	16,000	176,000	9%
B. Deans	140,000	—	—	12,600	16,000	168,600	9%
P. Martinkus	8,930	—	—	804	—	9,734	—
R. Jones	75,303	—	—	6,780	—	82,083	—
	1,097,288	40,000	4,900	94,259	829,956	2,066,403	

Note:

1. Minsec Australia received these fees for Mr K S Liddell's services provided to CopperCo as a Non-Executive Director.
2. The bonus was granted in December 2005 for Mr Simon Pooley's role in the successful exploration results and his contribution towards the Feasibility Study.

(iii) Compensation of Key Management Personnel for the year-ended 30 June 2005

	Salary & fees A$	*Short Term Cash Bonus A$*	*Non monetary A$*	*Post Employment Super-annuation A$*	*Share-Based Payments Options A$*	*Total A$*	*Total Performance Related*
Directors							
K.S. Liddell	36,000[1]	—	—	—	—	36,000	—
R.J. Basham	20,000	—	—	1,800	—	21,800	—
B.J. Rear	142,777	—	2,920	—	225,893	371,590	61%
S.E. Blackman	116,972	—	—	10,527	67,768	195,267	35%
Executives							
K. Maiden	99,770	—	—	8,979	36,143	144,892	25%
S. Pooley	144,702	—	—	6,285	—	150,987	—
P. Hartog	71,697	—	—	6,452	—	78,149	—
B. Deans	75,701	—	—	4,200	—	79,901	—
	707,619	—	2,920	38,243	329,804	1,078,586	

Note:

1. Minsec Australia received these fees for Mr K S Liddell's services provided to CopperCo as a Non-Executive Director.

(c) ***Compensation options: Granted and vested during the year***

During the financial year options were granted as equity compensation benefits to certain specified Directors and specified executives as disclosed below. The options were issued free of charge.

Terms & Conditions for each Grant

30 June 2007	*Vested number*	*Granted number*	*Grant date*	*Fair Value per option at grant date (A$)*	*Exercise price per option (A$)*	*Expiry date*	*First exercise date*	*Last exercise date*
B. Rear	—	1,500,000	12/10/2006	0.21	0.45	30/06/2010	—	Performance related[1]
B. Rear	—	750,000	12/10/2006	0.18	0.55	30/06/2010	—	Performance related[1]
B. Rear	—	750,000	12/10/2006	0.17	0.60	30/06/2010	—	Performance related[1]
R. Basham	—	1,000,000	12/10/2006	0.21	0.45	30/06/2010	12/10/2006	30/06/2010
K. Liddell	—	1,500,000	12/10/2006	0.21	0.45	30/06/2010	12/10/2006	30/06/2010
S. Pooley	800,000	800,000	17/07/2006	0.28	0.37	18/07/2011	17/07/2006	18/07/2007
P. Hartog	800,000	800,000	17/07/2006	0.28	0.37	18/07/2011	17/07/2006	18/07/2007
B. Deans	500,000	500,000	17/07/2006	0.28	0.37	18/07/2011	17/07/2006	18/07/2007
P. Martinkus	500,000	500,000	17/07/2006	0.28	0.37	18/07/2011	17/07/2006	18/07/2007
R. Jones	500,000	500,000	17/07/2006	0.28	0.37	18/07/2011	17/07/2006	18/07/2007
Total	3,100,000	8,600,000						

1. Not vested at 30 June 2007.

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Terms & Conditions for each Grant

30 June 2006	Vested number	Granted number	Grant date	Fair Value per option at grant date (A$)	Exercise price per option (A$)	Expiry date	First exercise date	Last exercise date
S. Pooley	400,000	400,000	1/07/2005	0.08	0.20	30/06/2010	01/07/2005	30/06/2006
P. Hartog	200,000	200,000	1/07/2005	0.08	0.20	30/06/2010	01/07/2005	30/06/2006
B. Deans	200,000	200,000	1/07/2005	0.08	0.20	30/06/2010	01/07/2005	30/06/2006
Total	800,000	800,000						

Terms & Conditions for each Grant

30 June 2005	Vested number	Granted number	Grant date (A$)	Fair Value per option at grant date (A$)	Exercise price per option	Expiry date
B. Rear	—	5,000,000	28/09/2004	0.11	0.20	30/06/2008
S. Blackman	—	1,500,000	28/09/2004	0.11	0.20	30/06/2008
K. Maiden	—	800,000	28/09/2004	0.11	0.20	30/06/2008
Total	—	7,300,000				

(d) ***Other transactions and balances with Key Management Personnel***

Services

CopperCo paid fees of A$334,478 (2006: A$110,000, 2005: A$105,000) for the year to Minsec Australia, a company of which Mr K.S. Liddell is a Director, for administrative and company secretarial services.

A fee of A$80,250 (2006: A$50,000, 2005: A$36,000) was paid to Minsec Australia for Director services provided by Mr K.S. Liddell.

During the 2005 year Minsec Australia also provided geological consulting fees to the value of A$4,670.

In 2005 CopperCo paid success fees of A$250,000 and 80 million unlisted CopperCo options exercisable at the A$0.02 and exercisable on or before 30 June 2006. This was paid in recognition of Minsec Australia originating the CopperCo acquisitions and managing the acquisition process.

In 2005 CopperCo paid fees of A$100,000 which was paid in recognition of Minsec Australia advising on the takeover process of Universal.

(e) ***Option holdings of Key Management Personnel***

							Vested at 30 June 07	
30 June 07	Balance at beginning of period 01-Jul-06	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period 30-Jun-07	Total	Exercisable	Not Exercisable
Directors								
Brian Rear	5,000,000	3,000,000	—	—	8,000,000	8,000,000	5,000,000	3,000,000
Stephen Blackman	1,500,000	—	—	—	1,500,000	1,500,000	1,500,000	—
Richard Basham	—	1,000,000	—	—	1,000,000	1,000,000	1,000,000	—
Keith Liddell	—	1,500,000	—	—	1,500,000	1,500,000	1,500,000	—
Executives								
Ken Maiden	800,000	—	—	—	800,000	800,000	800,000	—
Simon Pooley	400,000	800,000	—	—	1,200,000	1,200,000	1,200,000	—
Phillip Hartog	200,000	800,000	—	—	1,000,000	1,000,000	1,000,000	—
Barry Deans	200,000	500,000	—	—	700,000	700,000	700,000	—
Paul Martinkus	—	500,000	—	—	500,000	500,000	500,000	—
Robin Jones	—	500,000	—	—	500,000	500,000	500,000	—

							Vested at 30 June 06	
30 June 06	Balance at beginning of period 01-Jul-05	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period 30-Jun-06	Total	Exercisable	Not Exercisable
Directors								
Brian Rear	5,000,000	—	—	—	5,000,000	5,000,000	—	5,000,000
Stephen Blackman	1,500,000	—	—	—	1,500,000	1,500,000	—	1,500,000
Executives								
Ken Maiden	800,000	—	—	—	800,000	800,000	—	800,000
Simon Pooley	—	400,000	—	—	400,000	400,000	400,000	—
Phillip Hartog	—	200,000	—	—	200,000	200,000	200,000	—
Barry Deans	—	200,000	—	—	200,000	200,000	200,000	—

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30 June 05	Balance at beginning of period 01-Jul-04	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period 30-Jun-05	Vested at 30 June 05 Total	Exercisable	Not Exercisable
Directors								
Brian Rear	—	5,000,000	—	—	5,000,000	5,000,000	—	5,000,000
Stephen Blackman	—	1,500,000	—	—	1,500,000	1,500,000	—	1,500,000
Executives								
Ken Maiden	—	800,000	—	—	800,000	800,000	—	800,000

(f) ***Shareholding of Key Management Personnel***

30 June 07	Balance 01-Jul-06 Ord.	Granted as Remuneration Ord.	On Exercise of Options Ord.	Shares acquired privately Ord.	Balance 30-June-07 Ord.
Directors/Executives					
Keith Liddell	535,736	—	—	—	535,736[2]
Richard Basham	407,157	—	—	—	407,157[3]
Brian Rear	1,879,267	—	—	—	1,879,267[5]
Stephen Blackman	3,414,291	—	—	—	3,414,391[7]
Peter Patrikeos	—	—	—	15,000	15,000[8]
Hon. John Moore AO	—	—	—	899,500	899,500[9]
Robin Jones	—	—	—	50,000	50,000[10]

30 June 06	Balance 01-Jul-05 Ord.	Granted as Remuneration Ord.	On Exercise of Options Ord.	Net Change Other Ord.	Balance 30-June-06 Ord.
Directors					
Keith Liddell	14,953,629	—	—	(14,417,893)[1]	535,736[2]
Richard Basham	307,157	—	—	100,000	407,157[3]
Brian Rear	2,011,107	—	—	(131,840)[4]	1,879,267[5]
Stephen Blackman	3,432,251	—	—	(17,860)[6]	3,414,391[7]

30 June 05	Balance 01-Jul-04 Ord.	Granted as Remuneration Ord.	On Exercise of Options Ord.	Net Change Other Ord.	Balance 30-June-05 Ord.
Directors					
Keith Liddell	535,736[2]	—	—	14,417,893[1]	14,953,629
Richard Basham	307,157	—	—	—	307,157[3]
Brian Rear	1,861,107	—	—	150,000	2,011,107
Stephen Blackman	3,429,551	—	—	2,700	3,432,251

Note:

1. Mr Liddell's spouse and other associates of Mr Liddell no longer hold a relevant interest of 20% or more in Minsec which holds shares in CopperCo. CopperCo Shares held by Minsec are now excluded from Mr Liddell's indirect interest as Mr Liddell no longer holds a relevant interest in Minsec.
2. 250,000 of the shares are held by Tintron Pty Ltd as trustee for the Liddell Superannuation Fund of which Mr Liddell is a director and a beneficiary. 160,736 of the shares are held by Mr Liddell as trustee for the Liddell Investment Account of which Mr Liddell is a beneficiary. 125,000 of the shares are held by Liddell Capital Pty Ltd of which Mr Liddell is a director and shareholder.
3. The shares are held by Hawea Pty Ltd as trustee for the RJ Basham Family Superannuation Fund of which Mr Basham is a beneficiary.
4. SRH Resources, in which Mr Brian Rear has an indirect interest, acquired 270,000 shares in CopperCo. Mr Brian Rear has resigned from his position of Joint Trustee of the IBML Employee Share Trust and is no longer an eligible potential beneficiary resulting in the disposal of 401,840 shares in the 2006 year.
5. 1,352,110 of the shares are held by Goldvance Pty Ltd as trustee for the BMR Trust of which Mr Rear is a director, shareholder and beneficiary. 527,157 of the shares are held by SRH Resources Pty Ltd ("SRH") as trustee for the SRH Provident Fund. Mr Rear is a director and shareholder of SRH and a beneficiary of the SRH Provident Fund.
6. Mr Stephen Blackman's indirect interest of CopperCo Shares held by IBML Employee Share Trust has been reduced.
7. 876,010 of the shares are held by Blackman and Associates Pty Ltd as trustee for the Blackman and Associates Super Fund of which Mr Blackman is a director, shareholder and beneficiary. 2,154,133 of the shares are held by Blackman and Associates Pty Ltd as trustee for Blackman Investment Trust of which Mr Blackman is a director, shareholder and beneficiary. 268 shares are held directly by Mr Blackman.

   407,157 of the shares are held by International Base Metals Limited Employee Share Trust of which Mr Blackman is a joint trustee and is an eligible potential beneficiary.
8. 15,000 Shares held by PJ & MA Super Fund of which Mr Patrikeos is a beneficiary and trustee.
9. 899,500 Shares held by Ralsten Pty Ltd, a company Hon. John Moore AO holds a relevant interest in.
10. As at 30 June 2007, Robin Jones is the only executive to have any shareholding interest in CopperCo with 50,000 shares.

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25. Auditor's Remuneration

	2007 A$000	2006 A$000	2005 A$000
Amounts received or due and receivable by Ernst & Young for:			
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	66	53	43
– independent accountants report	—	—	20
– professional services	—	—	38
	66	53	101

26. Financial Risk Management Objectives and Policies

The CopperCo Group's principal financial instruments, other than derivatives, comprise short term deposits, interest bearing liabilities and cash and available-for-sale investments.

The main purpose of these financial instruments is to raise finance for the CopperCo Group's operations. The CopperCo Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operation. The purpose is to manage the interest rate risk arising from the CopperCo Group's operations and its source of finance. The main risks arising from the CopperCo Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees the policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to this financial information.

Credit risk

The CopperCo Group trades only with recognised, creditworthy third parties.

It is the CopperCo Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivables balances are monitored on an ongoing basis with the result that the CopperCo Groups' exposure to bad debts is not significant.

The CopperCo Group's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the statement of financial performance. The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Liquidity risk

The CopperCo Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Commodity price risk

Through CopperCo's Lady Annie operations the Company is exposed to variability in the USD Copper Price as well as variability in the AUD/USD exchange rate given the Company is an AUD reporting entity and the price of copper is quoted in USD. As a result of this price variability and the Company's desire to protect at a minimum the operating costs the company will from time to time execute hedges that fulfils the objectives of the Company's overall risk management strategy.

Cash flow Interest rate risk

The CopperCo Group's interest rate risk arises from long-term borrowings with a floating interest rate. Borrowings issued at variable rates expose the CopperCo Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the CopperCo Group to fair value interest rate risk. The CopperCo Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. The CopperCo Group's policy is to keep an appropriate amount of its borrowings at fixed rates of interest.

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27. Financial Instruments

(a) ***Interest rate risk***

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are as follows:

	Floating interest rate			Fixed interest rate maturing in: 1 year or less			Fixed interest rate maturing in: 1 year to 5 years			Fixed interest rate maturing in: More than 5 years			Non-interest bearing			Total carrying amount			Weighted average effective interest rate		
	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000	2007 A$000	2006 A$000	2005 A$000	2007 %	2006 %	2005 %
Financial assets																					
Cash on hand	8,657	40,904	1,821	—	—	—	—	—	—	—	—	—	—	—	—	8,657	40,904	1,821	5.63	5.25	5.15
Trade and other receivables	4,173	290	276	—	—	—	—	—	—	—	—	—	2,654	591	76	6,827	881	352	2.00	1.85	1.85
Available for sale investments	—	—	—	—	—	—	—	—	—	—	—	—	7,413	6,128	5,706	7,413	6,128	5,706	—	—	—
	12,830	41,194	2,097	—	—	—	—	—	—	—	—	—	10,067	6,719	5,782	22,897	47,913	7,879	—	—	—
Financial liabilities																					
Trade creditors	—	—	—	—	—	—	—	—	—	—	—	—	21,651	2,895	842	21,651	2,895	842	—	—	—
Other creditors	—	—	—	—	—	—	—	—	—	—	—	—	331	87	69	331	87	69	—	—	—
Interest bearing liabilities	37,330	4,386	3,810	—	2,500	—	—	3,500	—	—	—	—	—	—	—	37,330	10,386	3,810	9.20	8.85	8.80
Deferred cash settlement for subsidiary acquired	—	—	—	—	—	—	—	—	—	—	—	—	—	3,000	2,765	—	3,000	2,765	—	—	—
Short-term loan	—	—	—	—	—	—	—	—	—	—	—	—	3,512	—	—	3,512	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—	—	—	—	—	—	21,320	—	—	21,320	—	—	—	—	—
	37,330	4,386	3,810	—	2,500	—	—	3,500	—	—	—	—	46,814	5,982	3,676	84,144	16,368	7,486	—	—	—
Net financial assets/ (liability)	(24,500)	36,808	(1,713)	—	(2,500)	—	—	(3,500)	—	—	—	—	(36,747)	737	2,106	(61,247)	31,545	393	—	—	—

(b) ***Net fair values***

The quoted market value at balance date of investment listed on prescribed stock exchange was A$2,486,341. The listed shares at market value is the CopperCo 8.95% ownership interest in Universal Resources Limited and A$100,000 Investment in Stirling Minerals Ltd.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Recognised financial instruments

Cash, cash equivalents and short-term investments: The carrying amount approximates fair value because of their short-term to maturity.

Trade receivables, trade creditors and dividends receivable: The carrying amount approximates fair value.

Borrowings: The carrying amount of bank borrowings approximates fair value as the borrowings are at floating rates which are repriced quarterly. The carrying amount of other borrowings approximates fair value because of their short-term to maturity.

Deferred cash settlement for subsidiary acquired: The carrying value of the deferred cash settlement for the subsidiary acquired approximates its fair value. The fair value is estimated using current commercial borrowing rates for similar types of borrowing arrangements.

Loans to controlled entities: The carry amount approximates fair value.

Available for sale investments: The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security.

Derivatives: CopperCo sources fair values from their appointed independent financial risk manager. The Quantum Treasury Management System is used to calculate the fair values, which are calculated with reference to market interest rates, commodity prices and exchange rates effective as at close of business 30 June 2007.

	Carrying amount			*Fair value*		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
	A$000	*A$000*	*A$000*	*A$000*	*A$000*	*A$000*
Financial assets						
Cash	8,657	40,904	1,821	8,657	40,904	1,821
Trade and other receivables	6,827	881	352	6,827	881	352
Available-for-sale investments	7,413	6,128	5,706	7,413	6,128	6,128
Financial liabilities on balance sheet						
Trade and other payables	21,982	2,982	911	21,982	2,982	911
Interest-bearing loans and borrowings:						
Floating rate borrowings	37,330	4,386	3,810	37,330	4,386	3,810
Fixed rate borrowings	—	6,000	—	—	6,000	—
Derivatives	21,320	—	—	21,320	—	—
Deferred cash settlement for subsidiary acquired	—	3,000	2,765	—	3,000	2,765
Short-term loan	3,512	—	—	3,512	—	—

28. Expenditure Commitments

	2007	*2006*	*2005*
	A$000	*A$000*	*A$000*
Exploration commitments			
Minimum exploration commitments are as follows:			
Not later than one year – other	2,490	1,593	1,985
Later than one year but not later than five years – other	12,435	6,372	3,336
Aggregate exploration expenditure committed at balance date	14,925	7,965	5,321

Exploration commitments

In order to maintain the CopperCo Group's interest in mining leases, the CopperCo Group is committed to meeting the conditions under which the leases were granted and the obligations of the joint venture agreements. Early in 2006 the Company entered into a Farm-in and Joint Venture agreement with Xstrata on CopperCo's wholly owned Toby Creek property located 30 km's southeast of Mount Isa. In accordance with the Farm-in and Joint Venture agreement Xstrata will be granted the right to conduct exploration activities on the Farm-in area and dependent on the Farm-in expenditure incurred by Xstrata they have a right to earn an interest in the Farm-in area. Xstrata also has a right to acquire a further interest in the Exploration Joint Venture if it is established at some future date. Early in 2007, the Company entered into a Farm-out agreement with Terrence Burt on the Battle Creek tenement. CopperCo has earned the 51% equity interest by expenditure of A$50,000 and future commitments are A$100,000 to earn 80% equity interest.

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The timing and amounts of exploration expenditure and obligations of the CopperCo Group are subject to renegotiation by the joint venture participants and, as a result, may vary significantly from that forecast for each specified period.

Salary contract commitments

	2007 *A$000*	*2006* *A$000*	*2005* *A$000*
Not later than six months	262	175	123

Salary commitments

These commitments are for directors employed under contract and are based on their notice period.

Capital development commitments

	2007 *A$000*	*2006* *A$000*	*2005* *A$000*
Not later than one year	41,192	5,905	—

Capital development commitments

These commitments reflect the value of orders placed prior to the financial year end for the Lady Annie Project.

Leasing commitments

Operating lease commitments – CopperCo Group as lessee

The CopperCo Group has entered into commercial leases on certain motor vehicles and items of machinery. These leases have an average life of between 3 and 8 years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

	2007 *A$000*	*2006* *A$000*	*2005* *A$000*
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2007 are as follows:			
Within one year	3,919	—	—
After one year but not more than five years	7,213	—	—
After more than five years	—	—	—
Total minimum lease payments	11,132	—	—

Royalty commitments

The Reefway transaction included a royalty deed in respect of copper, gold, lead, zinc and silver (all "Metals") mined from the Reefway Tenements. The royalty payable is the greater of gross royalty for that Metal and a 1% net smelter return royalty for that Metal. In respect of those Metals, no royalty is payable in relation to each Metal until threshold production levels have been reached which are: in the case of copper – 100,000 tonnes of net payable copper; gold – 50,000 ounces of net payable gold; lead – 100,000 tonnes of net payable lead; zinc – 100,000 tonnes of net payable zinc and silver – 1,000,000 ounces of net payable silver. In relation to products other than the specified Metals the royalty is 1% of the net smelter return royalty for those other products.

In addition to above Reefway is also party to the following agreements:

(i) Tenement Sale & Royalty Agreement Mount Kelly – Leases and Claims dated 23 July 1998 between Rio Tinto Exploration Pty Ltd ("RTE") and Miniere Mining Pty Ltd ("Miniere") (together called the "Vendors"), Reefway and Pegasus ("Leases and Claim Agreement"); and

(ii) Tenement Sale & Royalty Agreements Mount Kelly – EPM 7487 dated 23 July 1998 between RTE, Reefway and Pegasus ("EPM Agreement").

Pursuant to the Leases and Claim Agreement, Reefway acquired mining leases 5426, 5435, 5446, 5447, 5448, 5474, 5476 and 5478 and mineral claim 5842 ("Leases and Claim") and agreed to pay the royalty to Miniere and RTE. Pegasus unconditionally guaranteed the due and punctual performance by Reefway of its obligations. RTE has since assigned its rights to the royalty to RoyalCo Resources Ltd and relinquished its other rights under this Agreement.

The royalty is a royalty equal to 1% of the net smelter return generated from the sale of any minerals produced from the area within the external boundaries of the Leases and Claim as at the date of the agreement ("Tenement Area") provided that no royalty is payable in respect of the first 25 million pounds of copper produced from the Leases and that the aggregate royalty will not exceed A$1 million.

Under the EPM Agreement, Reefway acquired exploration permit 7487 ("EPM 7487") from RTE and agreed to pay a royalty to RTE. RTE has since assigned its rights to the royalty to RoyalCo Resources Ltd and relinquished its other rights under this Agreement. The EPM Agreement is on substantially the same terms as the Leases and Claims Agreement, except the Miniere is not party to the EPM Agreement. Further, in this case the royalty equal to a 0.5% of the net smelter return generated from the sale of minerals from specified blocks of EPM 7478 and a 1% of the net smelter return generated from elsewhere in EPM 7487 but not including the area covered by the Leases and Claim. Once again, no royalty is payable in respect of the first 25 million pounds of copper produced from the Leases and Claim or EPM 7478 and the aggregate royalty under this EPM Agreement and the Leases and Claims Agreement will not exceed A$1 million.

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29. Related Party Disclosures

(a) ***Wholly owned subsidiaries***

Loans to wholly owned subsidiaries are interest free and repayable on demand.

(b) ***Ultimate parent entity***

The Company is a public company listed on the Australian Securities Exchange and does not have a parent company.

30. Events after the Balance Sheet Date

Unaudited financial statements for the six months ended 31 December 2007 are reproduced in Section E of Part II. Significant events during and subsequent to that period are:

(a) On 20 September 2007, the Company issued 25,000,000 CopperCo Shares at A$0.20 each, credited as fully paid, to RBC Dexia Investor Services Australia Nominees Pty Limited as part of a mezzanine financing agreement with LinQ Resources Fund.

(b) On 20 September 2007, the Company issued 8,000,000 CopperCo Shares at A$0.45 each, credited as fully paid, to Minsec Australia in accordance with the exercise by Minsec Australia of convertible notes in CopperCo.

(c) Plating of LME "A" grade copper cathode commenced on 27 September 2007 with the first copper cathode production commencing on 2 October 2007, which transformed CopperCo from an explorer to a producer. Nameplate production for the Lady Annie Project is 19,000 tonne per annum with copper produced sold to Glencore, in accordance with the offtake agreement between CopperCo and Glencore.

(d) In early December 2007 CopperCo secured A$15 million from four parties for working capital purposes and the Lady Annie expansion project of which A$10 million has subsequently been repaid to three of the four parties. Part of the terms and conditions of the facility agreement required CopperCo to issue 15 million options exercisable at A$1.06 cents each and expiring on 30 June 2010.

(e) On 6 December 2007, the Company issued 1,000,000 CopperCo Shares to Brian Rear, credited as fully paid, pursuant to the exercise of 1,000,000 unlisted options at A$0.20 each.

(f) Approximately A$5.7 million of guarantees included in non-current liabilities at 31 December 2007 have since been de-recognised and will now be disclosed as contingent liabilities.

(g) The Directors of CopperCo and Minsec announced to ASX on 29 January 2008 an agreement to merge the two companies to create a diversified global resource company with interests in base and precious metals including copper, zinc, lead, platinum and gold. The substantive details are available on the CopperCo and ASX web sites. On 16 May 2008, the CopperCo Shareholders approved the Acquisition at an extraordinary general meeting of the Company.

(h) The completion of an A$30.4 million capital raising conducted in the following tranches:

  (i) on 11 March 2008, 33,700,000 shares were issued to external investors at A$0.54 per share (raising A$16,996,723 after costs);

  (ii) in two separate parts, on 23 and 28 April 2008, 22,666,666 shares were issued to external investors at A$0.54 per share (raising A$11,622,368 after costs).

(i) On 11 March 2008, the repayment of an A$2.5 million loan facility to Bell Co Pty Ltd.

(j) On 13 March 2008, the issue of 4,222,222 shares to Minsec upon conversion of A$1.9 million of convertible notes.

(k) Preliminary construction activities for the Lady Annie expansion commenced in January 2008. On 11 March 2008 CopperCo announced plans to accelerate the expansion from 19,000 tpa to 30,000 tpa of copper cathode and that CopperCo had completed a A$30.4 million private placement to fund the Lady Annie expansion. As part of the expansion project, additional heap leach, SX-EW capacity is being installed with completion scheduled for October 2008.

(l) On 28 March 2008, the repayment of an A$2.5 million loan facility to Simon Moore.

(m) On 11 April 2008, the repayment of an A$5 million loan facility to LinQ.

(n) On 28 April 2008, CopperCo issued 500,000 CopperCo Shares to Stephen Blackman, credited as fully paid, pursuant to the exercise of 500,000 unlisted options at A$0.20 each.

(o) On 20 June 2008, CopperCo issued 4,000,000 CopperCo Shares, credited as fully paid to Brian Rear, pursuant to the exercise of 4,000,000 unlisted options at A$0.20 each.

31. Derivatives and Hedges

	2007 A$000	*2006 A$000*	*2005 A$000*
Current Assets			
Option hedge contracts – cash flow hedges	142	—	—
Total Assets	142	—	—
Current Liability			
Option hedge contracts – cash flow hedges	573	—	—
Non Current Liabilities			
Forward currency and copper contracts – cash flow hedges	20,747	—	—
Total Liabilities	21,320	—	—
Net Liabilities	21,178	—	—

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Instruments used by the CopperCo Group

Derivative financial instruments are used by the CopperCo Group in the normal course of business in order to hedge exposure to fluctuations associated with movements in copper prices and foreign currency risk.

The objective of the collar option is to hedge the exposure to the variability in cash flows of highly probable sales receipts. The hedge is expected to be highly effective in offsetting changes in the cash flows attributable to movements in the AUD price above the Strike Price on the Call and below the Strike Price on the Put. The nature of the risk hedged being the spot AUD price above Strike Price on the Call and below Strike Price on the Put.

The Risk Management objective for the forward contracts is to hedge at price risk associated with the sale of future copper metal from the Lady Annie Project's production. The risk being hedged is the change in cash flows that will result should the average forward copper price move above or below the hedged price of the forward sale. The hedge offsets movements in both the copper price and the currency (FX) risk.

CopperCo's future revenues are exposed to commodity price fluctuations. CopperCo may enter into commodity price derivative instruments to manage this exposure.

Copper is priced in US Dollars and therefore generates a foreign exchange exposure. CopperCo has managed their commodity and foreign exchange exposure jointly by executing Australian Dollar Copper contracts.

Instrument	*Sell*	*Receive*	*Expiry*	*Fair Value (A$)*	*Note*
Copper zero cost collars	700 tonnes 1,100 tonnes	AUD 6,800 – AUD 9,975 AUD 6,800 – AUD 9,975	Nov 2007 Dec 2007	(163,590) (267,880)	Cash flow hedge – manage risk from forecast sales of copper
Copper Forwards	13,200 tonnes 13,200 tonnes 1,100 tonnes	Average Rate AUD 6,847 Average Rate AUD 7,579 Average Rate AUD 7,630	Jan 08 – Dec 08 Jan 09 – Dec 09 Jan 10 – Dec 10	(19,622,950) (1,435,614) 311,400	Cash flow hedge – manage risk from forecast sales of copper

32. Transition to AIFRS

For all periods up to an including the year ended 30 June 2005, the CopperCo Group prepared its financial statements in accordance with Australian generally accepted accounting practice (AGAAP). The financial statements for the year ended 30 June 2006 are the first the CopperCo Group is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the CopperCo Group has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in Note 2. In preparing this financial information, the CopperCo Group has started from an opening balance sheet as at 1 July 2004, the CopperCo Group's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 *First-time adoption of AIFRS*.

This note explains the principal adjustments made by the CopperCo Group in restating its AGAAP balance sheet as at 1 July 2004 and its previously published AGAAP financial statements for the year ended 30 June 2005.

Exemptions Applied

AASB 1 allows first-time adopters certain exemptions from the general requirements to apply AIFRS retrospectively.

The CopperCo Group has taken the following exemptions:

- Comparative information for financial instruments is prepared in accordance with AGAAP and the Company and CopperCo Group have adopted AASB 132: *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005.
- AASB 3 *Business Combinations* has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before 1 July 2004.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 July 2004.
- AASB 2 *Share-based Payment* has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005.

Explanation of material adjustments to the cash flow statement

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

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Balance Sheet reflecting reconciliation of adjustments to AIFRS as at 1 July 2004*

	AGAAP A$000	*AIFRS Impact A$000*	*AIFRS A$000*
Assets			
Current Assets			
Cash	1,252	—	1,252
Receivables	112	—	112
Other	292	—	292
Total Current Assets	1,656	—	1,656
Non-current Assets			
Receivables	11	—	11
Plant and equipment	1	—	1
Exploration & development expenditure	275	—	275
Available-for-sale investment	—	—	—
Other	—	—	—
Total Non-current Assets	287	—	287
Total Assets	1,943	—	1,943
Liabilities			
Current Liabilities			
Payables	230	—	230
Provisions	—	—	—
Interest bearing liabilities	—	—	—
Total Current Liabilities	230	—	230
Non-Current Liabilities			
Interest bearing liabilities	—	—	—
Provisions	—	—	—
Total Non-current Liabilities	—	—	—
Total Liabilities	230	—	230
Net Assets	1,713	—	1,713
Equity			
Equity attributable to equity holders of the parent			
Contributed equity	46,721	—	46,721
Retained earnings	(45,038)	—	(45,038)
Reserves	30	—	30
Total Equity	1,713	—	1,713

* For illustrative purposes a reconciliation of the entire balance sheet has been presented.

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Balance Sheet reflecting reconciliation of adjustments to AIFRS as at 1 July 2005*

	Notes	*AGAAP A$000*	*AIFRS Impact A$000*	*AIFRS A$000*
Assets				
Current Assets				
Cash		1,821	—	1,821
Receivables		76	—	76
Other	b	625	(625)	—
Total Current Assets		2,522	(625)	1,897
Non-current Assets				
Receivables		276	—	276
Plant and equipment		164	—	164
Exploration & development expenditure		28,401	—	28,401
Available-for-sale investment		5,706	—	5,706
Other	b	565	(565)	—
Total Non-current Assets		35,112	(565)	34,547
Total Assets		37,634	(1,190)	36,444
Liabilities				
Current Liabilities				
Payables		3,676	—	3,676
Provisions		47	—	47
Total Current Liabilities		3,723	—	3,723
Non-Current Liabilities				
Interest bearing liabilities	b	5,000	(1,190)	3,810
Provisions		151	—	151
Total Non-current Liabilities		5,151	(1,190)	3,961
Total Liabilities		8,874	(1,190)	7,684
Net Assets		28,760	—	28,760
Equity				
Equity attributable to equity holders of the parent				
Contributed equity		74,106	—	74,106
Retained earnings	a	(47,046)	(330)	(47,376)
Reserves	a	1,700	330	2,030
Total Equity		28,760	—	28,760

* For illustrative purposes a reconciliation of the entire balance sheet has been presented.

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Income Statement reflecting reconciliation of adjustments to AIFRS as at 1 July 2005*

	Notes	*AGAAP A$000*	*AIFRS Impact A$000*	*AIFRS A$000*
Revenues from ordinary activities				
Finance revenue		121	—	121
Revaluation of available for sale investment		—	—	—
Write down of carrying value of exploration expenditure		—	—	—
Office expenses		(390)	—	(390)
Borrowing costs		(281)	—	(281)
Depreciation		(29)	—	(29)
Insurance		(60)	—	(60)
Interest		(99)	—	(99)
Imputed interest on deferred consideration		(178)	—	(178)
Legal fees		(60)	—	(60)
Travel & accommodation		(83)	—	(83)
Salaries and wages		(667)	—	(667)
Expense of share-based payments	a	—	(330)	(330)
Stock exchange expenses		(23)	—	(23)
Share registry expenses		(78)	—	(78)
Other expenses from ordinary activities		(181)	—	(181)
Loss from ordinary activities before income tax expense		(2,008)	(330)	(2,338)
Income tax relating to ordinary activities		—	—	—
Loss from ordinary activities after income tax expense attributable to members of CopperCo		(2,008)	(330)	(2,338)
Share issue costs		(1,092)	—	(1,092)

* For illustrative purposes a reconciliation of the entire income statement has been presented.

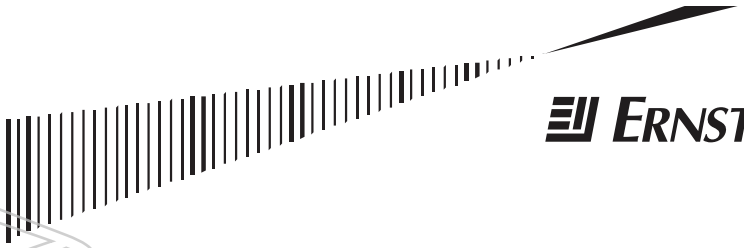
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Impact of adopting AIFRS

Outlined below are the areas impacted upon adoption of AIFRS, including the financial impact on equity and profit.

Reference	*Item*	*AGAAP*	*AIFRS*	*Impact*
a	Share-based payments	Share-based payments were not required to be expensed.	AASB 2 Share-based Payments requires entities to recognise an expense in relation to shares, options, and other equity instruments provided to employees (including directors).	Equity at transition
			These share-based payment transactions must be fair valued at grant date and recognised as an expense in profit or loss evenly over the vesting period.	Equity at 30 June 2005: Decrease to Retained earnings and increase to Option reserve of A$329,803.
			An adjustment was required to recognise share based payments granted after 7 November 2002 and vesting after 1 January 2005.	Loss for 30 June 2005: Increase to loss of A$329,803.
b	Financial Instrument	Financial assets and financial liabilities are disclosed as separate line items.	AASB 132 Financial Instruments requires that financial assets and financial liabilities shall be offset and the net amount presented in the balance sheet when, and only when, an entity: a) currently has a legally enforceable right to set of the recognised amounts; and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.	Assets at transition Liabilities at transition Assets at 30 June 2005: Decrease to other current assets of A$625,000 and other non-current assets of A$565,068. Liabilities at 30 June 2005: Decrease to interest bearing liabilities of A$1,190,068.

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30 June 2008

The Directors
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Western Australia 6000

Dear Sirs

Mineral Securities Limited and its subsidiaries (the "Consolidated Minsec Group")

We report on the financial information set out in Section D of Part II. This financial information has been prepared for inclusion in the prospectus dated 30 June 2008 (the "Prospectus") of CopperCo Limited on the basis of the accounting policies set out in note 1 to the financial information. This report is required by item 20.1 of Annex I of the Prospectus Rules and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the Prospectus Rules, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of CopperCo Limited are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to Mineral Securities Limited's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus dated 30 June 2008, a true and fair view of the state of affairs of the Consolidated Minsec Group as at the dates stated and of its loss, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards.

Going concern

In forming our conclusion we have considered the adequacy of the disclosures made in note 1 to the financial information concerning the uncertainty as to the renewal or repayment of the Consolidated Minsec Group's debt facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our conclusion is not modified in this respect.

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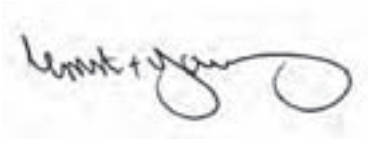
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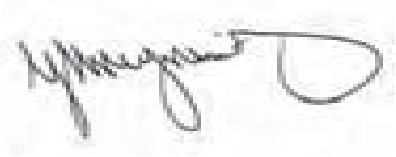
Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the Prospectus Rules.

Yours faithfully



Ernst & Young



G H Meyerowitz
Partner
Perth

Section D: Consolidated Minsec Group Historical Financial Information

Consolidated Minsec Group income statement

	Notes	12 months to 30 September 2007 Before exceptional items US$000	12 months to 30 September 2007 Exceptional items US$000	12 months to 30 September 2007 Total US$000	15 months to 30 September 2006 Before exceptional items US$000	15 months to 30 September 2006 Exceptional items US$000	15 months to 30 September 2006 Total US$000	12 months to 30 June 2005 Total US$000
Revenue	9	5,561	—	5,561	8,635	—	8,635	—
Cost of sales		(5,902)	—	(5,902)	(7,564)	—	(7,564)	—
Gross profit		(341)	—	(341)	1,071	—	1,071	—
Direct project costs		(360)	—	(360)	(293)	—	(293)	—
Winding down mining operations at Gympie	16	—	(1,347)	(1,347)	—	(9,055)	(9,055)	—
Share of losses of associates	29	(5,689)	—	(5,689)	—	—	—	—
Gains on holdings in associates	29	5,282	—	5,282	—	—	—	—
Disposal of financial assets available-for-sale		2,122	—	2,122	4,530	—	4,530	1,473
Impairment of financial assets available-for-sale		(1,150)	—	(1,150)	—	—	—	—
Net loss on derivative financial instruments		(294)	—	(294)	—	—	—	—
Disposal of non-current assets		—	—	—	(23)	—	(23)	—
Impairment of goodwill arising on the Three-Way Merger	17	—	—	—	—	(5,373)	(5,373)	—
Negative goodwill arising on the Minsec Scarborough Merger	18	—	79,823	79,823	—	—	—	—
Other operating income		236	—	236	277	—	277	
Administrative expenses		(7,540)	—	(7,540)	(5,658)	—	(5,658)	(923)
Share based long term incentives	19	(1,362)	(1,143)	(2,505)	(314)	(6,095)	(6,409)	—
Operating (loss) profit		(9,096)	77,333	68,237	(410)	(20,523)	(20,933)	550
Finance revenue	12, 20	1,923	7,614	9,537	1,345	—	1,345	301
Finance costs	13	(1,640)	—	(1,640)	(45)	—	(45)	—
(Loss) profit before taxation		(8,813)	84,947	76,134	890	(20,523)	(19,633)	851
Income tax	21	(220)	—	(220)	455	—	455	—
(Loss) profit for the period		(9,033)	84,947	75,914	1,345	(20,523)	(19,178)	851
Attributable to:								
Consolidated Minsec Group shareholders		(8,310)	85,507	77,197	1,760	(16,759)	(14,999)	851
Minority interests		(723)	(560)	(1,283)	(415)	(3,764)	(4,179)	—
		(9,033)	84,947	75,914	1,345	(20,523)	(19,178)	851
Earnings (loss) per Minsec share	14							
Basic		(8.82)c	90.76c	81.94c	3.54c	(33.73)c	(30.19)c	3.29c
Diluted		(8.64)c	88.93c	80.29c	3.54c	(33.73)c	(30.19)c	2.92c
Earnings (loss) per Scarborough share								
Basic					2.83c	(26.98)c	(24.15)c	2.64c
Diluted					2.83c	(26.98)c	(24.15)c	2.33c

All income and expenses relate to continuing operations.

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Consolidated Minsec Group statement of recognised income and expense

	12 months to 30 September 2007 US$000	*15 months to 30 September 2006 US$000*	*12 months to 30 June 2005 US$000*
Income and expense recognised directly in equity			
Gains now realised and recognised in income statement	(2,122)	(1,125)	—
Net unrealised (loss) gain on financial assets available-for-sale	(20,408)	3,444	(805)
Impairment recognised in income statement	1,150	—	—
Deferred tax	76	(455)	—
Currency translation	12,959	2,107	1,426
Net (expense) income recognised directly in equity	(8,345)	3,971	621
Profit (loss) for the period	75,914	(19,178)	851
Total recognised income (expense) for the period	67,569	(15,207)	1,472
Attributable to:			
Consolidated Minsec Group shareholders	68,282	(10,912)	1,472
Minority interests	(713)	(4,295)	—
	67,569	(15,207)	1,472

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Consolidated Minsec Group balance sheet

	Notes	*30 September 2007 US$000*	*30 September 2006 US$000*	*30 June 2005 US$000*
Non-current assets				
Exploration, evaluation and development expenditure	26	32,833	31,033	5,010
Property, plant and equipment	27	1,870	2,045	9
Interests in associates	29	105,602	—	—
Financial assets available-for-sale	30	161,978	15,710	8,614
Receivables	32	—	—	415
Deferred tax asset	25	794	443	—
		303,077	49,231	14,048
Current assets				
Inventories	31	261	554	—
Trade and other receivables	32	5,613	3,380	2,124
Derivative financial instruments	33	5,719	—	—
Cash and short term deposits	34	33,504	44,264	310
		45,097	48,198	2,434
Total assets		348,174	97,429	16,482
Current liabilities				
Trade and other payables	35	6,626	2,849	178
Financial liabilities	36	19,804	192	—
Tax		86	443	—
Provisions	39	311	529	13
		26,827	4,013	191
Non-current liabilities				
Financial liabilities	36	7,327	68	—
Deferred tax liability	25	9,788	—	—
Provisions	39	1,214	1,240	—
		18,329	1,308	—
Total liabilities		45,156	5,321	191
Net assets		303,018	92,108	16,291
Capital and reserves				
Net equity capital	41	254,041	109,198	20,999
Reserves	45	45,747	(20,919)	(4,708)
Consolidated Minsec Group shareholders' equity		299,788	88,279	16,291
Minority interests	40, 46	3,230	3,829	—
Total equity	40	303,018	92,108	16,291

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Consolidated Minsec Group cash flow statement

	Notes	*12 months to 30 September 2007 US$000*	*15 months to 30 September 2006 US$000*	*12 months to 30 June 2005 US$000*
Operating activities				
Operating profit (loss) after exceptional items		68,237	(20,933)	550
Adjustments to reconcile operating profit to net cash flow from operating activities				
Amortisation of exploration, evaluation and development expenditure		291	567	—
Depreciation of property, plant and equipment		390	713	7
Winding down mining operations at Gympie	16	1,347	9,055	—
Share of losses of associates	29	5,689	—	—
Gains on holdings in associates	29	(5,282)	—	—
Profit on disposal of financial assets available-for-sale		(2,122)	(4,530)	(1,473)
Impairment of financial assets available-for-sale		1,150	—	—
Net losses on derivatives		294	—	—
Loss on disposal of non-current assets		—	23	—
Impairment of goodwill arising on the Three-Way Merger	17	—	5,373	—
Negative goodwill arising on the Minsec Scarborough Merger	18	(79,823)	—	—
Other share based (income) costs		(282)	182	—
Share based long term incentives	19	2,505	6,409	—
Release of exploration deposit		—	408	—
Decrease in inventories		362	112	—
(Increase) decrease in trade and other receivables		(959)	976	(231)
Increase (decrease) in trade and other payables		407	(3,086)	(62)
Movement in provisions	39	(572)	211	5
Cash generated from operations and net cash flow from operating activities		(8,368)	(4,520)	(1,204)
Investing activities				
Interest received		1,790	770	160
Purchases of financial assets available-for-sale		(7,238)	(219)	(6,554)
Proceeds from sale of financial assets available-for-sale		2,055	—	—
Proceeds from sale of derivatives		53	—	—
Purchases of property, plant and equipment		(120)	(330)	(8)
Exploration, evaluation and development costs capitalised		(2,994)	(2,466)	(75)
Acquisition of Gympie	4	—	81	—
Cash effect of the Three-Way Merger	5	—	2,268	—
Cash effect of the Minsec Scarborough Merger	6	1,617	—	—
Deconsolidation of NiPlats	7	(1,710)	—	—
Vostok reimbursement	8	623	—	—
Proceeds from sale of property, plant and equipment		164	—	—
Proceeds from sale of Lady Annie to CopperCo		—	—	1,507
Loans made		(23)	(142)	(19)
Loans repaid		—	—	1,821
Net cash flow from investing activities		(5,783)	(38)	(3,168)
Financing activities				
Interest paid		(289)	(44)	—
Net proceeds from Buka Minerals share issues		—	1,383	—
Net proceeds from Buka Gold initial public offering		—	8,113	—
Net proceeds from the Scarborough Placing		—	35,536	—
Net proceeds from Scarborough LTIP investment shares		—	2,060	—
Options exercised		713	—	—
Repayment of short term loans		—	(294)	—
Repayment of capital element of finance leases		(239)	(410)	—
Net cash flow from financing activities		185	46,344	—
(Decrease) increase in cash and cash equivalents		(13,966)	41,786	(4,372)
Currency translation on cash and cash equivalents		3,206	2,168	365
Cash and cash equivalents at the beginning of the period		44,264	310	4,317
Cash and cash equivalents at the balance sheet date	34	33,504	44,264	310

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Notes to the financial information

BASIS OF PREPARATION

1. Summary of significant accounting policies

(a) ***Basis of preparation***

(i) *Going concern*

The financial information has been prepared on a going concern basis. Minsec is a mining investment company which currently sources its working capital from a mix of asset sales, equity raisings and bank debt. The principal debt is an A$45.0 million facility with Macquarie Bank which is now due to expire on 31 December 2008.

Based on cash flow forecasts, Minsec will require the sale of assets, a new equity raising, a further extension of the loan facility or new facilities, or a combination of these to meet operating commitments and the repayment of the Macquarie Bank debt.

Minsec has made it known publicly that it is pursuing a programme of asset sales but there can be no certainty as to when sales might be concluded or how much they might realise. Minsec management have prepared cash flow information to June 2009, and whilst this clearly indicates the need for additional funding to meet the anticipated 31 December 2008 repayment, Minsec states its unaudited interim financial statements for the period ended 31 March 2008 that there is no reason to believe that Minsec will be able to further renegotiate the facility or that new flows of funds will not be available at that point to meet future commitments. Further, considering the size of the outstanding loan facility and modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, the CopperCo Directors consider it appropriate to prepare the financial information on the going concern basis. If the existing facility is not further renegotiated and alternative proceeds are not available such that the going concern basis were not appropriate, then adjustments might be required to the recoverability and classification of asset amounts or the amounts and classification of liabilities.

(ii) *Basis of consolidation*

The holding company is Mineral Securities Limited, a limited company incorporated and domiciled in the British Virgin Islands, which was incorporated on 2 March 2007 in preparation for the Restructuring of Minsec Australia which completed on 29 June 2007. Minsec's ordinary shares and class A options are listed on the Australian Securities Exchange (in the form of Chess Depositary Interests) and the ordinary shares are also traded on AIM.

This financial information presents the results, cash flows, assets and liabilities of the Consolidated Minsec Group for the periods ended 30 September 2007. As an international mining company, the Consolidated Minsec Group presents its results in US dollars (US$) (which is also the functional currency of Minsec), while the size of the business means that the vast majority of numbers are expressed in thousands ("US$000"). Exceptions are the number of shares, which is not rounded and earnings (loss) per share which is expressed in US cents. In addition where it improves understanding, numbers are also expressed in Australian dollars ("A$"), Pounds sterling ("£") and Canadian dollars ("C$").

The financial statements of most subsidiaries are prepared:

- for the same reporting period as the parent company, where for local regulatory reasons subsidiaries do not have the same reporting period as Minsec, those subsidiaries have been consolidated using management accounts for the period; and
- using consistent accounting policies, adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions between Consolidated Minsec Group entities, including any unrealised profits or losses, have been eliminated on consolidation. Minority Interests represent the portion of profit or loss and net assets not held by the Consolidated Minsec Group and are shown separately in the income statement and within equity in the balance sheet.

Where the Consolidated Minsec Group has joint control with others over the assets of a venture, it accounts for its proportionate interest in the assets, liabilities, income and expenses under the appropriate headings in the financial statements.

(iii) *Changes in scope of consolidation*

Where controlled entities have entered or left the Consolidated Minsec Group during the periods, their operating results have been included from the date control was obtained or until the date control ceased. The changes in scope of consolidation in the periods were the:

- acquisition of Gympie on 7 October 2005 described in note 4;
- Three-Way Merger on 19 April 2006 described in note 5 which was accounted for as a "reverse acquisition" by Buka Minerals of Danae and Greenwich (see below);
- Minsec Scarborough Merger on 20 July 2007 described in note 6 which has been accounted for as a "reverse acquisition" by Scarborough of Minsec;
- disposal of 85% of MRK on 12 June 2007, to Vale described in note 8; and
- deconsolidation of NiPlats consequent on the issue of shares on 10 August 2007 in advance of its flotation on 21 September 2007, as described in note 7.

Gains or losses arising on holdings in associates, resulting from changes in percentage holdings, for example from the dilution of interests or the award of additional shares, are recorded in the income statement.

(iv) *Reverse acquisition accounting*

Both the Minsec Scarborough Merger and the Three-Way Merger are considered to have been "reverse acquisitions" so that instead of the legal parent and the accounting parent being the same, the accounting parent is the participant in the business combination that is deemed to be the acquirer on the grounds of share of ownership and continuing management of the combined entity. On this basis the acquirer in the Three-Way Merger was Buka Minerals and in the Minsec Scarborough Merger it was Scarborough.

For the Three-Way Merger the accounting parent was identified as Buka Minerals whose shareholders owned 62.8% of the equity of the Consolidated Minsec Group prior to the Scarborough Placing and whose executive team then managed the Scarborough Group's activities. This had a number of consequences including:

- the Consolidated Minsec Group's equity combines the pre Three-Way Merger equity of Buka Minerals, the equity that Buka Minerals would have had to issue to the shareholders of Danae and Greenwich to achieve the same ownership percentage as they had in Scarborough and subsequent issues of equity by Scarborough, including the Scarborough Placing;
- the Consolidated Minsec Group's financial statements were prepared on the basis that its activities prior to the Three-Way Merger are deemed to be those of Buka Minerals and not Scarborough;
- the consideration for the acquisition is deemed to be the value of the Buka Minerals equity deemed to have been issued;
- the net assets acquired are deemed to be those of Greenwich and Danae; and
- goodwill is calculated by reference to the deemed consideration and the deemed net assets acquired.

For the Minsec Scarborough Merger the accounting parent was identified as Scarborough whose shareholders owned 55.6% of the equity of the Consolidated Minsec Group. This had a number of consequences including:

- the Consolidated Minsec Group's equity combines the pre Minsec Scarborough Merger equity of Scarborough, the equity that Scarborough would have had to issue to the shareholders of Minsec BVI to achieve the same ownership percentage as they had in Minsec and subsequent issues of equity by Minsec;
- the Consolidated Minsec Group's financial statements were prepared on the basis that its activities prior to the Minsec Scarborough Merger are deemed to be those of Scarborough and not Minsec BVI or Minsec Australia;
- the consideration for the acquisition is deemed to be the value of the Scarborough equity deemed to have been issued;
- the net assets acquired are deemed to be those of Minsec BVI including Minsec Australia; and
- goodwill is calculated by reference to the deemed consideration and the deemed net assets acquired.

(v) *Comparatives*

Until the Three-Way Merger, Buka Minerals' year end was 30 June while Scarborough used 30 September. The reverse takeover accounting used for the Three-Way Merger and Buka Minerals' switch to a 30 September reporting date resulted in the Scarborough Group financial statements for 2006 being prepared for the 15 month period ended 30 September 2006.

As discussed above, for accounting purposes first the Buka Minerals and then Scarborough is treated as the acquiring group and it is their results which are shown for the periods 1 July 2004 to 19 April 2006 and 20 April 2006 to 20 July 2007 respectively. Therefore, the period ended 30 September 2007 includes the Scarborough Group for 1 October 2006 to 30 September 2007 and Minsec Australia for the period 20 July 2007 to 30 September 2007. The previous corresponding periods include the Buka Minerals Group for 1 July 2004 to 19 April 2006 and the Scarborough Group for 20 April 2006 to 30 September 2006.

As a result, the Consolidated Minsec Group income, expenses and cash flows for 2007 are not easily comparable with those for 2006 or 2005.

(vi) *Foreign currency translation*

Each entity in the Consolidated Minsec Group determines its own functional currency and items included in their financial statements are measured using that functional currency. The main functional currencies of the Consolidated Minsec Group's entities are Australian dollars and Pounds sterling, while Minsec's functional currency is US dollars which is also the Consolidated Minsec Group's presentation currency. In each entity, transactions denominated in currencies other than the functional currency are accounted for at the rate ruling at the date of the transaction and net exchange gains and losses arising are reflected within finance income or finance costs in the income statement. Assets and liabilities denominated in currencies other than the functional currency are translated at the exchange rate ruling at the balance sheet date.

On consolidation, each entity's income, expenses and cashflows are translated at the average exchange rates for the period that they are a Consolidated Minsec Group member. Assets and liabilities are translated at the exchange rate ruling at the balance sheet date. The resulting exchange differences are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that entity is recognised in the income statement.

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(vii) *Significant judgments and accounting estimates*

Remaining mine lives

In estimating the remaining life of the mine at each mine property for the purpose of calculating amortisation, depreciation, impairments and rehabilitation provisions, due regard is given not only to the volume of remaining economically recoverable reserves and resources but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

Recoverable amount of assets

At each reporting date, the Consolidated Minsec Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists (such as a market value which has been lower than the cost to the Consolidated Minsec Group for an extended period) the Consolidated Minsec Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Discount rates

In determining the present value of future cash outflows in respect of a financial liability, including provisions, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, is used as the discount rate. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Legislative framework

The Consolidated Minsec Group's operations, the values placed on its assets and the size of its liabilities are all affected by the legislation in force in the jurisdiction concerned and the probability of extra-judicial action by governments. In preparing this financial information the Consolidated Minsec Group has assumed that the legislative framework and associated legal protections and obligations will remain unchanged except where changes have been proposed and it is considered probable that they will be adopted.

(viii) *Segmental reporting*

The Consolidated Minsec Group's primary segmentation is by business line of which there is one segment: resource evaluation and exploitation.

The Consolidated Minsec Group's secondary segmentation is geographical, where based on the location of the Consolidated Minsec Group's assets, there are two segments: Australia and Rest of the World.

(b) ***Income statement***

(i) *Revenue recognition*

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Consolidated Minsec Group and they can be reliably measured. The Consolidated Minsec Group's revenue consists principally of sales of gold where revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time it is passed to the buyer's carrier at the mine gate. Other revenues relate to fees charged to investee companies and others.

(ii) *Pensions and other post-retirement benefits*

The Consolidated Minsec Group has no defined benefit schemes. Contributions to defined contribution schemes are charged to the income statement in the period to which they relate.

(iii) *Other employee benefits*

Provision is made for employee benefits accumulated as a result of employees rendering services up to the balance sheet date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the balance sheet date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the balance sheet date.

(iv) Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Where there is effectively no performance period the expense is recognised immediately. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Minsec.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

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At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

LTIPs

The LTIPs are share based schemes whereby certain senior executives receive rewards based on the relative Total Shareholder Return performance of the Consolidated Minsec Group compared with a group of companies which operate within a similar environment. The cost of equity-settled awards is measured as described above together with an estimate of future social security contributions payable in respect of this value. An expense is recognised for LTIPs where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied, in which case, where an award terminates before the performance period is complete, any unamortised expense is recognised immediately.

Employee options over Minsec shares

Employee options over Minsec shares are accounted for in accordance with the share based payment policy set out above.

Employee options over subsidiaries' shares

Employee options which give rights over subsidiaries' shares are treated as minority interests.

Non-executive directors' options

Non-executive directors' options are treated for accounting purposes as share based payments.

Other

Other payments settled with Minsec's equity are valued at the fair value of the services received or, where this cannot be established reliably, at the fair value of the equity involved.

(v) *Finance revenue*

Interest receivable is recognised as it accrues.

(vi) *Finance costs*

Finance lease interest is recognised in accordance with the policy described in Section e) xv) of this note.

Other borrowing costs are recognised in the income statement within finance costs in the period to which they relate.

(vii) *Earnings (loss) per share*

Basic earnings (loss) per share amounts are calculated by dividing net profit (loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit (loss) attributable to ordinary equity holders of the parent by the weighted average number of its ordinary shares outstanding during the year plus the weighted average number of the parent's ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into the parent's ordinary shares.

Basic and diluted earnings (loss) per share are also presented for each component of the period's result to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess trends in financial performance more easily.

In all cases, the weighted average numbers of ordinary shares have, in accordance with the requirements of reverse acquisition accounting, been calculated for the period: prior to the Three-Way Merger by reference to the equivalent number of Minsec shares to the shares Scarborough issued to former Buka Minerals shareholders, pro-rated as appropriate for the effect of the shares Buka Minerals issued in connection with the acquisition of Gympie on 7 October 2005; and for the period between the Three-Way Merger and the Minsec Scarborough Merger by reference to the number of Minsec shares equivalent to the Scarborough shares in issue at the Minsec Scarborough Merger Conversion ratio of 4:5.

In all cases, Treasury Shares are excluded from the calculation.

(c) ***Exceptional items***

Exceptional items comprise items of income and expense that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Consolidated Minsec Group's underlying financial performance. Examples of events giving rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events such as reorganisations of the Consolidated Minsec Group's operations and transaction-related items.

(d) ***Income taxes***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates or laws that are enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions have occurred at the date that will result in an obligation to pay more, or a right to pay less, tax. However, deferred income tax assets are recognised only to the extent that they are expected to be recoverable, e.g. against current income tax liabilities or taxes on future profits. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

(e) ***Balance sheet***

(i) *Exploration, evaluation and development expenditure*

Costs carried forward

Costs arising from exploration, evaluation and development activities are accumulated separately for each area of interest and are only carried forward where such costs are expected to be recouped through successful development, or through sale, or where exploration and evaluation activities have not, at the reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Such expenditure comprises net direct costs and an appropriate portion of expenditure not having a specific connection with a particular area of interest. Accumulated costs in respect of areas of interest are written off in the income statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. Costs carried forward in respect of an area of interest that is abandoned are written off in the period in which the decision to abandon is made.

Amortisation

Once production commences, brought forward expenditure in respect of an area of interest is amortised on a unit of production basis by reference to the reserves of that area of interest.

Rehabilitation Costs

Where exploration, evaluation and development activity gives rise to a liability that meets the recognition criteria described in Section e) xvi) of this note, the cost is carried forward as described above.

(ii) *Freehold property*

All the Consolidated Minsec Group's freehold property was acquired in business combinations and so the cost recognised was the fair value at the date of the relevant business combination. Depreciation is charged on buildings but not on land. Valuations are performed periodically to ensure that the carrying amount of freehold property does not differ materially from its fair value. Any revaluation surplus is credited to the revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. Any revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve. Freehold property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is included in the income statement in the period the asset is derecognised.

(iii) *Plant and equipment*

Cost

Plant and equipment are initially recognised at cost or, if acquired through a business combination, at fair value at the date of the relevant business combination.

Depreciation

Depreciation is provided on a straight-line basis on all plant and equipment at rates calculated to allocate over the estimated useful life of the asset, the cost or valuation, less estimated residual value at the end of the useful life. The depreciation periods adopted for plant and equipment vary from 3 to 15 years.

Impairment

Assets are reviewed periodically to ensure that the carrying amount does not materially exceed its fair value. Any impairment recognised as a result of such valuations is added to the accumulated depreciation.

(iv) *Goodwill*

Goodwill is measured as the excess of the cost of a business combination over the net fair value of the identifiable assets and liabilities acquired and is allocated to the projects acquired, which either are already generating or have the theoretical potential to generate cash for the Consolidated Minsec Group, in proportion to the Consolidated Minsec Group's assessment of the exploration or production potential of each project. Goodwill is reviewed for impairment at each reporting date, and whenever events or changes in circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is determined by assessing whether the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit to which goodwill has been allocated and, if so, an impairment loss equal to the shortfall is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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Negative goodwill is measured as the excess of the net fair value of the identifiable assets and liabilities acquired over the cost of a business combination and is immediately taken to the income statement.

(v) *Other intangible assets*

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is fair value as at the date of the relevant business combination. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of other intangible assets are assessed to be either finite or indefinite.

Other intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an other intangible asset with a finite useful life is reviewed at least at each financial reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the asset.

Other intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an other intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(vi) *Financial assets available-for-sale*

After initial recognition, financial assets available-for-sale are measured at fair value with unrealised gains or losses being recognised directly in equity. Any permanent impairment below cost is recorded in the income statement. The fair value recoverable amount is assessed from the current market value of the shares or the underlying net assets in the particular entities. Where shares are quoted in more than one market, the market with the greater liquidity is used to ascertain the current market value.

Upon disposal the cumulative gain or loss previously recognised in equity is recognised in the income statement.

(vii) *Interests in associates*

The Consolidated Minsec Group's investments in its associates are accounted for using the equity method of accounting. An associate is an entity in which the Consolidated Minsec Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investments in the associates are carried in the balance sheet at cost plus post acquisition changes in the Consolidated Minsec Group's share of net assets of the associates. Goodwill relating to the associates is included in the carrying amount of the investments and is not amortised. The income statement reflects the share of the results of operations of the associates. Where there has been a change recognised directly in the equity of the associates the Consolidated Minsec Group recognises its share of any changes and discloses this, when applicable, in the statement of movements in equity. Profits and losses resulting from transactions between the Consolidated Minsec Group and the associates are eliminated to the extent of the interest in the associates.

(viii) *Inventories*

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing product to its present location and condition are accounted for as follows:

- raw materials – purchase cost on a first-in, first-out basis; and
- ore and gold stocks – cost of direct materials and labour and a proportion of production overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to make the sale.

(ix) *Trade and other receivables*

Amounts recoverable from trade debtors and other amounts are carried at original invoice amount, or in the case of interest the accrued amount, less an allowance for doubtful debts where there is objective evidence that the Consolidated Minsec Group will not be able to collect the debts.

Receivables are recognised and carried at amortised cost using the effective interest method less any provision for impairment.

(x) *Derivative financial instruments*

Derivative financial instruments, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Derivative financial instruments held for trading are measured at fair value as determined by a Black-Scholes valuation model and any gains or losses are recognised in the income statement.

The Consolidated Minsec Group assesses whether the embedded derivatives are required to be separated from host contracts when the Consolidated Minsec Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flow that would otherwise be required.

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(xi) *Cash and short term deposits (cash equivalents)*

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purpose of the cash flow statement, cash includes cash on hand and in banks, and short term deposits with an original maturity of three months or less, net of any outstanding bank overdrafts.

(xii) *Trade and other payables*

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Minsec Group.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(xiii) *Loans*

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and none have been designated 'as at fair value through profit or loss'. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(xiv) *Option liabilities*

Options which are classified as liabilities are measured at fair value, as determined by market valuation for quoted options or a Black-Scholes valuation model, with any gains or losses recognised in the income statement.

(xv) *Leases*

Whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and is determined by whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

A reassessment is made after the inception of the lease only if one of the following applies:

- there is a change in contractual terms, other than a renewal or extension of the arrangement;
- there is a change in the determination of whether fulfilment is dependent on a specific asset;
- there is a substantial change to the asset; or
- a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term.

Where a reassessment is made, lease accounting commences or ceases from the date when the change in circumstances gave rise to the reassessment for the first three scenarios and at the date of renewal or extension period for the last.

Consolidated Minsec Group as lessee

Finance leases, which transfer to the Consolidated Minsec Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Consolidated Minsec Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(xvi) *Provisions*

Provisions are recognised when the Consolidated Minsec Group has a legal, equitable or constructive obligation to make a future transfer of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future outflow of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. The Consolidated Minsec Group currently maintains provisions for:

Employee benefits in Australia

The liability for long service and annual leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Rehabilitation costs

Rehabilitation costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction or production phases that give rise to the need for rehabilitation. The costs include obligations relating to reclamation, waste site closure, plant closure, platform removal and other costs associated with the rehabilitation of the site. These estimates of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs, all of which have been discounted to their present value. Any changes in the estimates are adjusted on a prospective basis. In determining the obligations, the Consolidated Minsec Group has assumed no significant changes will occur in the relevant legislation in relation to rehabilitation of such facilities in the future.

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If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(f) ***Equity***

(i) *Classification of instruments as debt or equity*

Any component of a capital instrument that exhibits the characteristics of a liability is recognised as a liability in the balance sheet net of transaction costs.

Convertible capital instruments

On issuance of a convertible capital instrument, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond, and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remaining proceeds are allocated to the conversion option and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years and no gain or loss is recognised on conversion. Transaction costs are apportioned between the liability and equity components of a convertible capital instrument based on the allocation of proceeds to the liability and equity components when the instrument is first recognised.

Options

Options issued as share based payments are classified as equity. In accordance with recent interpretation of IAS 32 'Financial instruments: presentation', other options that have a settlement price that is denominated in a currency other than the functional currency of the issuer are classified as liabilities. Options that have a settlement price denominated in the functional currency of the issuer are classified as equity.

(ii) *Contributed equity*

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Minsec Group, i.e. from issues of equity capital by Buka Minerals prior to 19 April 2006, by Scarborough Minerals plc between 19 April 2006 and 20 July 2007 and thereafter by Mineral Securities Limited and comprises ordinary shares in Minsec.

Any transaction costs arising on the issue of Ordinary Shares are recognised directly in equity as a reduction of the share proceeds received.

(iii) *Treasury Shares*

Treasury Shares are Consolidated Minsec Group equity instruments which have been reacquired but not cancelled, usually in the course of a business combination. They are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Consolidated Minsec Group's own equity instruments, and any deferred tax previously recognised in equity is derecognised.

(iv) *Equity options*

Equity options issued as share based payments are accounted for in accordance with the share based payments policy described above. Where equity options are issued as part of a business combination they are recognised at their fair value at the date of combination. Other equity options are recognised at the fair value of the consideration received by the Consolidated Minsec Group.

(v) *Reserves*

Retained earnings (accumulated losses)

Represents the net historic losses made by Buka Minerals Group up to 19 April 2006 the net losses of Scarborough Group from that date until 20 July 2007 and thereafter the net profits of Consolidated Minsec Group.

Net unrealised gains (losses)

This reserve holds the cumulative fair value changes on the Consolidated Minsec Group's financial assets available-for-sale net of deferred tax liabilities arising thereon.

Consolidation reserves

This reserve represents the crystallised but unrealised gain arising on the transfer of investments from financial assets available-for-sale to associates, together with the deemed distribution made when the Minsec Class D options were issued to the holders of Scarborough Class B options.

Share of associates' other reserves

The Consolidated Minsec Group's associates maintain certain other reserves including especially a derivatives reserve in respect of hedging by CopperCo of which the Consolidated Minsec Group is required to recognise its share.

Currency translation

This reserve is used to record exchange differences arising from the translation of the financial information into US dollars, which is Minsec's functional and presentation currency and was Scarborough's presentation currency.

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2. Statement of compliance with IFRS

The Consolidated Minsec Group financial information has been prepared in accordance with IFRSs and International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

Both predecessor companies had adopted IFRSs in their previous financial statements and the financial statements for the period ended 30 September 2007 have been prepared in accordance with IFRSs.

The only amendment to IFRSs that took effect for the accounting period ended 30 September 2007 and affected the Consolidated Minsec Group was IFRS 6 'Exploration for and evaluation of mineral resources' with which both predecessor groups already complied.

The following standards and interpretations with an effective date after the date of these financial statements will impact the Consolidated Minsec Group in future periods:

- IFRS 7 'Financial instruments: disclosures';
- IFRS 8 'Operating segments';
- IAS 1 (revised September 2007) 'Presentation of financial statements';
- IAS 23 (revised) 'Borrowing costs';
- IFRIC 10 'Interim financial reporting and impairment';
- IFRIC 11 'Consolidated Minsec Group and treasury share transactions';
- IFRIC 12 'Service concession agreements';
- IFRIC 13 'Customer loyalty programmes'; and
- IFRIC 14 'The limit on a defined benefit asset, minimum funding requirements and their interaction'.

It is anticipated that the adoption of these standards and interpretations will not have a material impact on the Consolidated Minsec Group's financial statements in the period of initial application.

IFRSs were used for the first time for the period ended 30 September 2006. IFRS 1 'First-time Adoption of International Financial Reporting Standards' requires that on first-time adoption of IFRSs, standards in force at the first reporting date (i.e. 30 September 2006) should be applied retrospectively. However there are a number of permitted exemptions of which the Consolidated Minsec Group elected to:

- not restate its financial information for acquisitions occurring before 1 July 2004;
- not restate its financial information for share based payment obligations incurred before 1 July 2004; and
- deem cumulative translation differences to be zero at 1 July 2004.

The only effect of the transition to IFRSs on the Consolidated Minsec Group figures was the recognition of unrealised losses on financial assets available-for-sale of US$805,000 in the year ended 30 June 2005 plus the associated currency differences as detailed in note 54.

3. Authorisation of financial statements

The consolidated financial statements of the Consolidated Minsec Group for the period ended 30 September 2007 were authorised for issue on 21 December 2007 by a committee of the Minsec directors which had itself been established for this purpose at a Minsec board meeting on 14 December 2007. The consolidated financial statements of the Consolidated Minsec Group for the period ended 30 September 2006 including the comparatives for 2005 were authorised for issue by a resolution of the Scarborough directors on 24 January 2007.

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BUSINESS COMBINATIONS

4. Acquisition of Gympie (Buka Gold)

On 7 October 2005 the Consolidated Minsec Group acquired the 87.115% of Gympie Eldorado Mining Pty Limited it did not already own. On the same date, an initial public offering of 41.57% of Buka Gold raised US$8,113,000 net of costs which is accounted for as a minority interest.

Buka Minerals also issued shares to one of the vendors of Gympie in consideration for cash of US$1,383,000 and services valued at US$182,000.

	US$000
Book and fair value of assets acquired	
Exploration and evaluation expenditure	5,921
Property, plant and equipment	2,823
Intangible assets	190
Inventories	676
Receivables	600
Cash and short term deposits	161
Payables	(1,659)
Provisions	(1,571)
Loans	(977)
Net assets	6,164
Less share already owned by Consolidated Minsec Group (12.885%)	(794)
Net assets acquired	5,370
Consideration	
Fair value of shares issued	9,532
Fair value of Gympie debt sold	1,618
Cash	80
Total consideration	11,230
Net assets acquired	(5,370)
Goodwill arising	5,860
Cash effect	
Cash and short term deposits acquired	161
Cash costs incurred	(80)
Cash effect of Gympie acquisition	81

From the date of acquisition to 30 September 2006 Gympie contributed a loss of US$10,053,000, including the impairment of US$9,055,000 described in note 16, to the net loss of the Consolidated Minsec Group, of which US$5,874,000 was attributable to group shareholders.

The fair value of the property, plant and equipment acquired was based on an external independent valuation that had also been used by GEM to adjust the value of its assets prior to the acquisition.

The goodwill arising on the acquisition reflected the Consolidated Minsec Group's assessment of the short term exploration potential of those areas of the tenements adjacent to the existing mine. It was considered that the geological conditions that caused the production difficulties encountered in November 2006 would probably extend to the adjacent areas, resulting in the balance being written off at that point.

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5. The Three-Way Merger

On 19 April 2006, the Three-Way Merger of Buka Minerals, Greenwich and Danae took effect. Since Buka Minerals' shareholders received 62.8% of the pre-Scarborough placing equity and provided the majority of the executive management of the merged group, the Three-Way Merger has been accounted for as a reverse takeover by Buka Minerals.

The book and fair values of the assets and liabilities at the date of acquisition were the same because both Greenwich and Danae had recognised impairments of their major assets as part of their preparations for the Three-Way Merger.

	Greenwich US$000	*Danae US$000*	*Total US$000*
Book and fair value of assets acquired			
Exploration and evaluation expenditure	17,732	2,355	20,087
Property, plant and equipment	13	—	13
Financial assets available-for-sale	2,951	—	2,951
Receivables	1,356	31	1,387
Cash and short term deposits	267	2,194	2,461
Payables	(3,230)	(92)	(3,322)
Net assets	19,089	4,488	23,577
Consideration			
Costs incurred by Buka Minerals			193
Fair value of shares issued by Scarborough			28,757
Total consideration			28,950
Net assets acquired			(23,577)
Goodwill arising			5,373
Cash effect			
Cash and short term deposits acquired			2,461
Costs incurred by Buka Minerals			(193)
Cash effect of the Three-Way Merger			2,268

In 2006, following the Three-Way Merger, Greenwich contributed a loss of US$213,000 and Danae contributed a loss of US$672,000 to the net loss of the Consolidated Minsec Group. The goodwill of US$5,373,000, which arose largely as a result of Danae's holding in Greenwich, was also written off in the period (see note 17).

If the Three-Way Merger had taken place at the beginning of the 2006 period then the Consolidated Minsec Group's revenue would have been unchanged. The complexities of the Three-Way Merger which involved three groups, a reverse acquisition, a cross-holding and various intercompany transactions, meant that the Directors of Scarborough considered that the time and effort required to determine the profit or loss of the Consolidated Minsec Group as if the Three-Way Merger had been effected at the beginning of Buka Minerals' accounting period made the provision of this figure impracticable.

6. The Minsec Scarborough Merger

On 20 July 2007, the Minsec Scarborough Merger was completed by the admission of Minsec's shares to trading on AIM. Because Scarborough's shareholders held 55.58% of Minsec's equity following the Minsec Scarborough Merger therefore the transaction is accounted for as a reverse acquisition, i.e. although Minsec became the legal owner of Scarborough, for accounting purposes Scarborough is treated as the acquirer. In a further complication, the earlier acquisitions of Minsec Australia shares by Scarborough are now treated as steps in the acquisition of Minsec Australia which leads to the recognition of Scarborough's share of Minsec Australia's changes in net assets in the pre Minsec Scarborough Merger period as movements in the Consolidated Minsec Group reserves.

The principal fair value adjustment resulting from the Minsec Scarborough Merger relates to Minsec Australia's listed associates which have been uplifted to market value resulting in a compensating deferred tax liability.

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	Book value US$000	*Adjustments US$000*	*Fair value US$000*
Assets and liabilities acquired			
Exploration and evaluation expenditure	1,649	—	1,649
Property, plant and equipment	137	—	137
Interests in associates	77,830	27,240	105,070
Financial assets available-for-sale	175,972	—	175,972
Deferred tax asset	217	(217)	—
Receivables	3,506	—	3,506
Derivatives	5,735	—	5,735
Cash and short term deposits	3,463	—	3,463
	268,509	27,023	295,532
Payables	(3,311)	—	(3,311)
Balances with Consolidated Minsec Group companies	39	—	39
Financial liabilities	(13,186)	—	(13,186)
Deferred tax liabilities	(4,215)	(6,955)	(11,170)
Net assets	247,836	20,068	267,904
Minority interests	(1,398)	—	(1,398)
	246,438	20,068	266,506
Consolidated Minsec Group share of Minsec Australia's net assets			
– acquired in consideration for 25,000,000 CopperCo Shares on 31 July 2006		9,527	
– acquired in consideration for 12,500,000 CopperCo Shares on 19 October 2006		4,655	
– deemed to have been disposed as a result of Minsec Australia equity issues		(1,658)	
		12,524	
Less Consolidated Minsec Group share of Minsec Australia's net assets at 20 July 2007 (approximately 15.16%)		(40,396)	
Gain on Consolidated Minsec Group share of Minsec Australia's net assets in pre Minsec Scarborough Merger period			(27,872)
Net assets acquired			238,634
Consideration			
Fair value of 25,000,000 CopperCo Shares at 31 July 2006			8,590
Fair value of 12,500,000 CopperCo Shares at 19 October 2006			4,758
Fair value of equity deemed to have been issued by Scarborough on 20 July 2007			130,949
Fair value of option liabilities deemed to have been issued by Scarborough on 20 July 2007			12,668
Cash costs incurred			1,846
Total consideration			158,811
Less net assets acquired			(238,634)
Negative goodwill arising credited to the income statement			(79,823)

Due to the uncertainties inherent in the valuation of mining assets, the fair values used in this calculation are provisional and will be finalised during the year ending 30 September 2008.

	US$000
Cash effect	
Cash and short term deposits acquired	3,463
Cash costs incurred	(1,846)
Cash effect of the Minsec Scarborough Merger	1,617

Since the Minsec Scarborough Merger, Minsec Australia has contributed US$120,000 to the Consolidated Minsec Group's revenue, US$109,000 to the Consolidated Minsec Group's finance revenue and US$2,204,000 to the Consolidated Minsec Group's profit for the period. If the Minsec Scarborough Merger had taken place at the beginning of the period the Consolidated Minsec Group's revenue would have increased by US$1,482,000, the Consolidated Minsec Group's finance revenue would have increased by US$160,000 and the Consolidated Minsec Group's profit for the period would have increased by US$4,181,000. This excludes costs for the Minsec Scarborough Merger of US$3,051,000.

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Since the Minsec Scarborough Merger, Minsec Australia has contributed the following to movements in the Group's equity:

	Consolidated Minsec Group's share of Minsec Australia's pre-merger equity US$000	*Negative goodwill arising on the merger US$000*	*Deemed disposal of NiPlats Australia US$000*	*Arising post-merger US$000*	*Total US$000*
Ordinary share equity	(132)	—	—	—	(132)
Employee share based payments	297	—	—	1,122	1,419
Retained earnings	1,010	79,823	464	1,740	83,037
Unrealised gains (losses) net of tax	17,356	—	—	(14,527)	2,829
Consolidation reserve	7,382	—	—	119	7,501
Share of associates' other reserves	(97)	—	—	(1,660)	(1,757)
Currency translation	2,056	—	—	2,383	4,439
Consolidated Minsec Group shareholders' interest	27,872	79,823	464	(10,823)	97,336
Minority interests	1,398	—	(1,353)	(45)	—
	29,270	79,823	(889)	(10,868)	97,336

At the Minsec Scarborough Merger date, Scarborough held 2,500,000 shares in CopperCo that were issued on 29 June 2007 following satisfaction of the conditions for the final tranche of the deferred consideration due from CopperCo in respect of the sale of the Lady Annie mining lease in June 2004. As a consequence of the Minsec Scarborough Merger these shares were transferred from financial assets available-for-sale to interests in associates at their fair value of US$2,043,000 with the net unrealised gain at that point of US$200,000 recognised as a consolidation reserve.

7. Deemed disposal of NiPlats

On 10 August 2007, NiPlats allocated shares to new investors in preparation for its flotation on ASX on 21 September 2007. As a result the Consolidated Minsec Group's share of its equity fell from 56.6% to 44.12% triggering the deconsolidation of their assets and liabilities from the Consolidated Minsec Group.

	US$000
Book value of assets and liabilities deconsolidated	
Exploration and evaluation expenditure	2,005
Receivables	432
Cash and short term deposits	1,710
Payables	(749)
Deferred tax liabilities	(90)
Minority interests	(1,353)
Net assets	1,955
Deemed proceeds	
Value of Consolidated Minsec Group's interest in associate following NiPlats share subscription	2,419
Net assets deconsolidated	(1,955)
Gain on deemed disposal recognised in income statement	464
Cash effect	
Cash and short term deposits deconsolidated	(1,710)
Costs incurred by Minsec	—
Cash effect of deconsolidating NiPlats	(1,710)

Between the date of the Minsec Scarborough Merger and 10 August 2007 NiPlats contributed a loss of US$30,000 to the Consolidated Minsec Group's retained profit of which US$17,000 was attributable to the Consolidated Minsec Group's shareholders.

8. Disposal of 85% of Vostok

On 4 May 2007, Scarborough announced that the Government of Kazakhstan had authorised the conditional disposal to Vale of 85% of Scarborough's 100% investment in MRK, the company that holds the exploration licence at Vostok. This transaction completed on 12 June 2007 and resulted in the deconsolidation of MRK.

Scarborough received A$740,000 (US$623,000) in cash and subsequently will also receive reimbursement of project costs incurred since 1 January 2006. All receipts will be accounted for as a realisation of the existing capitalised exploration costs with the balance treated as the cost of the residual 15% stake which is now classified as a financial asset available-for-sale.

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INCOME STATEMENT

9. Revenue

	2007 US$000	2006 US$000	2005 US$000
Sales of gold	5,159	8,635	—
Other	402	—	—
	5,561	8,635	—

10. Analysis of expenses by function

	2007			2006			
	Before exceptional items US$000	Exceptional items US$000	Total US$000	Before exceptional items US$000	Exceptional items US$000	Total US$000	2005 Total US$000
Administration	8,902	1,143	10,045	5,972	6,095	12,067	923
Other	360	1,347	1,707	293	14,428	14,721	—
	9,262	2,490	11,752	6,265	20,523	26,788	923

11. Expenses and losses (gains)

The operating loss before exceptional items is stated after charging (crediting):

	2007 US$000	2006 US$000	2005 US$000
Auditors' remuneration			
Audit	495	273	38
Tax and other services	24	85	140
	519	358	178

In addition, in 2007 the auditors were paid US$180,000 by Minsec Australia in respect of their work on the Minsec Scarborough Merger. In 2006 and 2005 tax and other services includes due diligence work in respect of the Buka Gold initial public offering.

Employee costs			
Wages, salaries and other employee costs	3,015	4,490	326
Share based long term incentives	2,505	6,409	—
	5,520	10,899	326
Amortisation of exploration, evaluation and development expenditure	291	567	—
Depreciation of property, plant and equipment	390	713	7
Profit on disposal of financial assets available-for-sale	(2,122)	(4,530)	(1,473)
Loss on disposal of non-current assets	—	23	—

12. Finance revenue

	2007			2006	2005
	Before exceptional items US$000	Exceptional items US$000	Total US$000	Total US$000	Total US$000
Bank interest receivable	1,865	—	1,865	553	160
Other interest receivable	58	—	58	458	141
	1,923	—	1,923	1,011	301
Gain on option liabilities (note 20)	—	7,614	7,614	—	—
Net foreign exchange gains	—	—	—	334	—
Total finance revenue	1,923	7,614	9,537	1,345	301

There were no finance revenue exceptional items in 2006 or 2005.

13. Finance costs

	2007 US$000	2006 US$000	2005 US$000
Bank interest payable	288	4	—
Lease interest	—	41	—
Net foreign exchange losses	1,352	—	—
Total finance costs	1,640	45	—

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14. Earnings (loss) per share

To aid comparison the 2005 and 2006 calculations have been performed both for the Scarborough shares in issue and the equivalent number of Minsec shares at the Minsec Scarborough Merger rate of 4 Minsec shares for every 5 Scarborough shares.

The data used in the calculations are:

	2007	*2006*		*2005*	
	Minsec	*Minsec*	*Scarborough*	*Minsec*	*Scarborough*
	US$000	*US$000*	*US$000*	*US$000*	*US$000*
Net profit (loss) attributable to Consolidated Minsec Group shareholders	77,197	(14,999)	(14,999)	851	851
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Thousands*
Basic weighted average number of shares	94,210	49,679	62,099	25,834	32,293
Dilutive potential ordinary shares:					
Share options	935	1,423	1,779	3,352	4,190
Long term incentive shares	998	1,280	1,600	—	—
Convertible preference shares	—	1,034	1,292	—	—
Diluted weighted average number of shares	96,143	53,416	66,770	29,186	36,483

15. Dividends paid and proposed

No dividends were paid or proposed in respect of the period ended 30 September 2007 (2006: nil, 2005: nil).

EXCEPTIONAL ITEMS

16. Winding down mining operations at Gympie

On 6 March 2007, Buka Gold announced a further impairment of assets at Gympie due to declining reserves and difficult operating conditions which led to the scaling back of operations. This augmented the US$9,055,000 impairment in December 2005, which followed an earlier period of difficult operating conditions.

	2007	*2006*
	US$000	*US$000*
Impairment of assets		
Exploration and evaluation expenditure	827	2,708
Property, plant and equipment	191	375
Goodwill*	—	5,785
Intangible assets*	—	187
	1,018	9,055
Redundancy costs	329	—
	1,347	9,055

* The differences between the figures here and those in note 4 reflect exchange rate movements between the dates of acquisition and impairment.

17. Impairment of goodwill arising on the Three-Way Merger

The Three-Way Merger described in note 5 gave rise to goodwill of US$5,373,000. The only potentially cash-generating units acquired were the Sappes and Vostok projects which the Consolidated Minsec Group considered were already fairly valued at the date of the Minsec Scarborough Merger and so the goodwill was written off in 2006.

18. Negative goodwill arising on the Minsec Scarborough Merger

The Minsec Scarborough Merger described in note 6 gave rise to negative goodwill of US$79,823,000 which in accordance with IFRS 3 ‘Business combinations’ has been recognised in the income statement in the period.

19. Costs of long term incentives

	2007			*2006*		
	Before exceptional items	*Exceptional items*	*Total*	*Before exceptional items*	*Exceptional items*	*Total*
	US$000	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*
Value of awards made recognised immediately	—	534	534	—	6,095	6,095
Amortisation	1,293	—	1,293	303	—	303
Awards to employees of subsidiaries	69	—	69	11	—	11
Termination	—	609	609	—	—	—
	1,362	1,143	2,505	314	6,095	6,409

As part of the Three-Way Merger, Greenwich shareholders approved the “Scarborough LTIP” for senior executives. The vesting period of grants that were announced in September 2006 commenced on the date of the Three-Way Merger, which was also used to determine the price paid for the investment shares and therefore the awards were accounted for as at 19 April 2006. The total value of the awards made under the Scarborough LTIP, including anticipated social security contributions, was US$8,401,000, which

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reflected the Consolidated Minsec Group's assessment of the probabilities of executives receiving award shares under the scheme rules, valued at the Scarborough Placing price of 72.6p. The terms of the scheme were such that US$6,095,000 was recognised immediately as an exceptional item with the remaining US$2,306,000 being amortised over the three year life of the plan.

As part of the Minsec Scarborough Merger, the Scarborough LTIP was replaced by the "Minsec LTIP". One of the Scarborough LTIP awardees received a replacement award and the additional value of that award at the time of the Minsec Scarborough Merger has been treated consistently with 2006, i.e. US$534,000 has been recognised as an exceptional item, with a US$401,000 reduction in the amount of the unamortised balance of the Scarborough award, which will be amortised over the new three year term of the award. The second Scarborough awardee did not receive a replacement award, but instead received 512,000 Minsec shares, leading to the recognition of a further exceptional item of US$609,000 in respect of the unamortised balance of the value of his award at the date it was made.

A previous award under the Minsec LTIP was agreed by Minsec Australia shareholders and became a commitment of Minsec on the date of the Restructuring. Therefore the initial value of that award (US$2,110,000) has been charged as a pre Minsec Scarborough Merger exceptional item in Minsec's books (of which the Consolidated Minsec Group's share of US$297,000 was recognised in the course of the Minsec Scarborough Merger), with the balance of the award's value (US$3,853,000) being amortised over the three year performance period.

The remaining charge of US$69,000 (2006: US$11,000) relates to options issued to the management of Buka Gold which are treated as additional minority interests.

20. Gain on option liabilities

The options issued in the course of the Restructuring and the Minsec Scarborough Merger are classed as liabilities rather than equity because they have exercise prices denominated in Australian dollars and Pounds sterling rather than Minsec's functional currency of US dollars. As a result they are revalued at each period end or when exercised and any gain or loss is recognised in the income statement. The fair value of the options at the date of the Minsec Scarborough Merger and the subsequent movements were:

	Merger *US$000*	*Exercised* *US$000*	*Gain* *US$000*	*As at 30 September 2007* *US$000*
Class A (exercisable at A$1.15 on or before 31 January 2008)	10,555	(2)	(4,066)	6,487
Class B (exercisable at A$1.25 on or before 31 January 2009)	1,338	—	(502)	836
Class C (exercisable at A$1.30 on or before 30 September 2007)	549	(244)	(305)	—
Class D (exercisable at £0.63 on or before 30 September 2012)	8,985	—	(2,656)	6,329
Class E (exercisable at £0.9075 on or before 19 April 2011)	226	—	(85)	141
	21,653	(246)	(7,614)	13,793

TAX

21. Tax charge (credit) on profit

	2007 *US$000*	*2006* *US$000*	*2005* *US$000*
Income tax in respect of prior period arising in current period	(301)	29	—
Current income tax charge	(100)	416	—
	(401)	445	—
Deferred tax charge (credit)	621	(900)	—
	220	(455)	—

22. Reconciliation of total tax charge

	2007 *US$000*	*2006* *US$000*	*2005* *US$000*
Accounting profit (loss) before taxation	76,134	(19,633)	851
Accounting profit (loss) multiplied by the standard rate of corporation tax in the UK and Australia of 30% (2006: 30%, 2005: 30%)	22,840	(5,890)	255
Negative goodwill arising on the Minsec Scarborough Merger	(23,947)	—	—
Other non-taxable income	(3,067)	—	—
Utilisation of tax losses	(74)	(1,425)	(255)
Expenses not deductible for tax purposes	1,548	4,589	—
Tax deductible costs recognised in equity	—	(248)	—
Tax losses for which no deferred tax asset was recognised	2,361	2,490	—
Tax underprovided in previous years	559	29	—
Total tax charge (credit) reported in the income statement	220	(455)	—
Deferred tax (credit) charge in the Consolidated Minsec Group statement of recognised income and expense arising on gains on financial assets available-for-sale	(76)	455	—
Net tax in income statement and taken directly to equity	144	—	—

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23. Unrecognised tax losses

The Consolidated Minsec Group has tax losses arising in Australia of US$10,998,000 (2006: US$7,402,000, 2005: US$8,289,000) and capital losses of US$12,794,000 (2006: US$10,767,000, 2005: US$8,052,000) and in the UK tax losses of US$19,970,000 (2006: US$13,730,000, 2005: US$11,242,000) and capital losses of US$3,306,000 (2006: US$3,054,000, 2005: US$2,944,000) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Consolidated Minsec Group.

24. Temporary differences associated with group investments

There are no temporary differences associated with investments in subsidiaries or associates for which deferred tax liabilities have not been recognised.

25. Deferred tax

	Asset		*Liability*	
	2007 US$000	*2006 US$000*	*2007 US$000*	*2006 US$000*
1 October (1 July)	443	—	—	—
Deferred tax (expense) credit in statement of recognised income and expense	(479)	(455)	555	—
Deferred tax credit (expense) in income statement	442	900	(1,063)	—
Acquired in the Minsec Scarborough Merger	—	—	(11,170)	—
Derecognition of treasury shares	—	—	2,389	—
NiPlats deconsolidation	—	—	90	—
Derecognition of offset	296	—	(296)	—
Currency translation	92	(2)	(293)	—
30 September	794	443	(9,788)	—

Analysis of balances giving rise to deferred tax

	Balance sheet		*Income statement*		*Statement of recognised income and expense*	
	2007 US$000	*2006 US$000*	*2007 US$000*	*2006 US$000*	*2007 US$000*	*2006 US$000*
Deferred tax assets						
Revaluations of financial assets available-for-sale	237	443	216	900	(479)	(455)
Associates	49	—	47	—	—	—
Provisions	48	—	(8)	—	—	—
Accruals	27	—	26	—	—	—
Losses available for offset against future taxable income	244	—	59	—	—	—
Borrowing costs	61	—	(3)	—	—	—
Expenditure deferred for tax purposes	128	—	105	—	—	—
	794	443	442	900	(479)	(455)

	Balance sheet		*Income statement*		*Statement of recognised income and expense*	
	2007 US$000	*2006 US$000*	*2007 US$000*	*2006 US$000*	*2007 US$000*	*2006 US$000*
Deferred tax liabilities						
Unrealised foreign exchange	(4)	—	(18)	—	—	—
Exploration, evaluation and development expenditure	65	—	120	—	—	—
Accelerated depreciation for tax purposes	(2)	—	—	—	—	—
Associates	(5,198)	—	(64)	—	—	—
Revaluations of financial assets available-for-sale	(950)	—	(1,198)	—	(241)	—
Derivatives	(344)	—	97	—	—	—
Consolidation reserves	(4,482)	—	—	—	113	—
Share of associates' other reserves	1,069	—	—	—	675	—
Currency translation	58	—	—	—	8	—
	(9,788)	—	(1,063)	—	555	—
Net deferred tax	(8,994)	443	(621)	900	76	(455)

There were no deferred tax balances in 2005.

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CONSOLIDATED MINSEC GROUP BALANCE SHEET

26. Exploration, evaluation and development expenditure

	Cost US$000	*Amortisation and impairment US$000*	*Net carrying amount US$000*
1 July 2004	10,387	—	10,387
Additions	75	—	75
Disposal of Lady Annie to CopperCo	(6,436)	—	(6,436)
Currency translation	984	—	984
30 June 2005	5,010	—	5,010
Additions	2,466	—	2,466
Acquisition of Gympie (note 4)	5,921	—	5,921
Winding down mining operations at Gympie (note 16)	—	(2,708)	(2,708)
The Three-Way Merger (note 5)	20,087	—	20,087
Amortisation during the period	—	(567)	(567)
Currency translation	797	27	824
30 September 2006	34,281	(3,248)	31,033
Additions	2,994	—	2,994
The Minsec Scarborough Merger (note 6)	1,649	—	1,649
NiPlats deconsolidation (note 7)	(2,005)	—	(2,005)
Vostok deconsolidation (note 8)	(3,676)	—	(3,676)
Winding down mining operations at Gympie (note 16)	—	(827)	(827)
Amortisation during the period	—	(291)	(291)
Currency translation	4,734	(778)	3,956
30 September 2007	37,977	(5,144)	32,833
Analysis at 30 September 2007 by project			
Australis	19	—	19
Gympie	10,943	(5,144)	5,799
Lady Loretta*	6,538	—	6,538
Sappes	20,477	—	20,477
	37,977	(5,144)	32,833

	Cost US$000	*Amortisation and impairment US$000*	*Net carrying amount US$000*
Analysis at 30 September 2006 by project			
Gympie	7,886	(3,248)	4,638
Lady Loretta*	5,052	—	5,052
Sappes	18,726	—	18,726
Vostok	2,617	—	2,617
	34,281	(3,248)	31,033

The 30 June 2005 balance relates exclusively to Lady Loretta.

* This is the Consolidated Minsec Group's only interest relating to the jointly controlled assets in the venture with Noranda Pacific.

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27. Property, plant and equipment

	Freehold property US$000	*Plant and equipment US$000*	*Total US$000*
Cost			
1 July 2004	—	27	27
Additions	—	8	8
Currency translation	—	3	3
30 June 2005	—	38	38
Additions	—	330	330
Acquisition of Gympie (note 4)	456	2,367	2,823
The Three-Way Merger (note 5)	—	13	13
Currency translation	(10)	(27)	(37)
30 September 2006	446	2,721	3,167
Additions	—	120	120
Disposals	—	(215)	(215)
The Minsec Scarborough Merger (note 6)	—	137	137
Currency translation	84	475	559
30 September 2007	530	3,238	3,768
Depreciation and impairment			
1 July 2004	—	20	20
Provided during the period	—	7	7
Currency translation	—	2	2
30 June 2005	—	29	29
Provided during the period	3	710	713
Winding down mining operations at Gympie (note 16)	—	375	375
Currency translation	—	5	5
30 September 2006	3	1,119	1,122
Provided during the period	3	387	390
Winding down mining operations at Gympie (note 16)	—	191	191
Disposals	—	(52)	(52)
Currency translation	(1)	248	247
30 September 2007	5	1,893	1,898
Net carrying amount at 30 September 2007	525	1,345	1,870
Net carrying amount at 30 September 2006	443	1,602	2,045
Net carrying amount at 30 June 2005	—	9	9

Included within plant and equipment are assets held under finance leases and hire purchase contracts of US$65,000 (2006: US$896,000, 2005: nil).

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28. Intangible assets

	Goodwill US$000	*Other US$000*	*Total US$000*
Cost			
1 July 2004	—	—	—
30 June 2005	—	—	—
Acquisition of Gympie (note 4)*	5,860	190	6,050
The Three-Way Merger (note 5)	5,373	—	5,373
Currency translation	212	(2)	210
30 September 2006	11,445	188	11,633
Currency translation	531	—	531
30 September 2007	11,976	188	12,164
Amortisation and impairment			
1 July 2004	—	—	—
30 June 2005	—	—	—
Winding down mining operations at Gympie (note 16)*	5,785	187	5,972
Impairment in respect of the Three-Way Merger (note 17)	5,373	—	5,373
Currency translation	287	1	288
30 September 2006	11,445	188	11,633
Currency translation	531	—	531
30 September 2007	11,976	188	12,164
Net carrying amount at 30 September 2007	—	—	—
Net carrying amount at 30 September 2006	—	—	—
Net carrying amount at 30 June 2005	—	—	—

* These amounts differ due to exchange rate variations between the two events.

NB: Goodwill on associates is included in the carrying value of interests in associates.

29. Interests in associates

All associates are listed companies and the accounting for associates is based upon their published financial information for the period to 30 June 2007, which is the only information normally available to the Consolidated Minsec Group, adjusted for significant known events and in the case of CopperCo management accounts which were only provided due to the special circumstances surrounding the commissioning of the Lady Annie mine.

During the period, changes in the Consolidated Minsec Group's absolute and relative interests in companies now accounted for as associates, gave rise to the following gains recognised in the income statement.

	US$000
CopperCo (note 47a and 47b)	4,277
Herencia (note 47c)	541
NiPlats (note 7)	464
	5,282

Since the Minsec Scarborough Merger, the Group's share of associates' revenue is as follows:

	CopperCo US$000	*Tianshan US$000*	*Minsands US$000*	*Herencia US$000*	*NiPlats US$000*	*Total US$000*
Finance revenue	18	11	19	—	4	52

Since the Minsec Scarborough Merger, the interests in associates recognised consequent to that transaction have contributed the following to movements in the Consolidated Minsec Group's equity:

	CopperCo US$000	*Tianshan US$000*	*Minsands US$000*	*Herencia US$000*	*NiPlats US$000*	*Total US$000*
Retained earnings	(5,076)	(110)	(73)	(411)	(19)	(5,689)
Unrealised gains (losses) net of tax	5	—	—	—	—	5
Share of associates' other reserves	(2,218)	—	—	—	—	(2,218)
Currency translation	504	109	66	84	80	843
Consolidated Minsec Group shareholders' interest	(6,785)	(1)	(7)	(327)	61	(7,059)
Percentage holding	19.85%	19.85%	34.47%	46.00%	44.12%	

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The allocation of the fair value of associates recognised in the Minsec Scarborough Merger (see note 6) between goodwill and the areas of interest owned by associates is still provisional and will be finalised during the year ending 30 September 2008.

The Consolidated Minsec Group's interests in its associates comprise:

	CopperCo US$000	*Tianshan US$000*	*Minsands US$000*	*Herencia US$000*	*NiPlats US$000*	*Total US$000*
Share of associates balance sheets						
Current assets	2,948	982	2,983	1,088	1,569	9,570
Non-current assets	26,276	3,938	740	2,265	1,063	34,282
Current liabilities	(3,184)	(83)	(110)	(29)	(146)	(3,552)
Non-current liabilities	(22,176)	—	—	—	(5)	(22,181)
Net assets	3,864	4,837	3,613	3,324	2,481	18,119
Convertible loan note*	2,754	—	—	—	—	2,754
Goodwill	64,101	13,114	3,409	4,105	—	84,729
Net assets – equity accounted	70,719	17,951	7,022	7,429	2,481	105,602
Fair value (based on market prices)	86,871	13,846	6,744	6,951	9,051	123,463

Note:

* If the convertible loan note had been converted at the balance sheet date the Group's share of the net assets of CopperCo would have increased by US$185,000 and the goodwill would have increased by US$4,199,000.

There were no contingent liabilities of associates at the balance sheet date.

Revenue transactions with associates are disclosed in note 52. Since the Minsec Scarborough Merger the only capital transactions were those shown above. There were no associates in 2006 or 2005.

30. Financial assets available-for-sale

		2007		*2006*		*2005*	
	Notes	*Shares*	*Value US$000*	*Shares*	*Value US$000*	*Shares*	*Value US$000*
Shares in GEM			—		—		59
Gympie Gold debt			—		—		1,648
Shareholder loans to GEM	a		—		—		1,053
			—		—		2,760
Baobab Resources		5,000,000	1,303	—	—	—	—
Chaarat Gold		6,801,300	6,924	—	—	—	—
CopperCo		—	—	5,000,000	1,568	30,000,000	3,392
Desire		5,200,000	3,044	5,200,000	3,335	—	—
Kolsen	b	—	1,626	—	2,428	—	2,462
Minsec Australia	c	—	—	7,779,112	7,957	—	—
Platmin	d	15,229,770	132,311	—	—	—	—
Qixia	e	—	416	—	—	—	—
Tianshan Goldfields	f	—	9,690	—	—	—	—
Unity Power		3,375,000	1,380	—	—	—	—
Vostok		6	3,210	—	—	—	—
Zambezi Resources		1,905,000	900	—	—	—	—
Other – listed		—	680	—	—	—	—
Other – unlisted		—	494	—	422	—	—
			161,978		15,710		8,614

a. Represents the funding provided to GEM which was capitalised in advance of the pending flotation of Buka Gold (see note 4).
b. Investment in Kolsen Consortium's interest in Iluka net of debt guaranteed by Minsec as shown in note 51.
c. These shares were transferred to Treasury Shares on completion of the Minsec Scarborough Merger.
d. Since the period end, the Consolidated Minsec Group has increased its investment in Platmin as described in note 53c.
e. Represents the Consolidated Minsec Group's investment in the Qixia Golden Sea venture through Shandong Yanatai Golden Sea Mining.
f. Comprises a preference share convertible to 26,000,000 ordinary shares in Tianshan Goldfields which was converted on 21 December 2007 (see note 53e).

31. Inventories

	2007 US$000	*2006 US$000*	*2005 US$000*
Raw materials	105	201	—
Ore and gold	156	353	—
	261	554	—

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32. Trade and other receivables

	2007 US$000	2006 US$000	2005 US$000
Current			
Trade receivables	604	181	—
CopperCo*	3,161	2,240	2,078
Bank guarantee deposits	631	419	—
Other receivables	829	374	30
Prepayments	388	166	16
	5,613	3,380	2,124
Non-current			
Exploration deposit	—	—	415

* At 30 September 2006, it had been agreed that, subject to CopperCo Shareholders' approval (which was obtained on 4 October 2006), Scarborough would receive 7,500,000 CopperCo Shares in settlement of this balance which Scarborough had also agreed, subject to Minsec Australia's shareholders' approval which was obtained on 19 October 2006, would then be exchanged for 2,333,734 shares in Minsec Australia (see note 47a).

At 30 September 2007, the balance relates to outstanding consideration for the sale by Minsec Australia to CopperCo of 8,000,000 shares in Zambezi Resources plc. This instrument includes the option to receive 5,867,791 shares in CopperCo in lieu of cash which element is included in derivative financial instruments (note 33 below). The balance is payable on 30 June 2008 and the amount shown has been discounted to reflect this.

33. Derivative financial instruments

The Consolidated Minsec Group has been granted options by associates and other investee companies as follows.

		Carrying amount			Fair value		
	Notes	2007 US$000	2006 US$000	2005 US$000	2007 US$000	2006 US$000	2005 US$000
Option element of CopperCo receivable	a	2,978	—	—	2,978	—	—
Tianshan options	b	2,442	—	—	2,442	—	—
Other		299	—	—	299	—	—
		5,719	—	—	5,719	—	—

a. Comprises the right to acquire 5,867,791 shares in CopperCo at a price of A$0.65.
b. Comprises 11,104,764 options of which 8,571,429 are exercisable at A$0.175 on or before 30 June 2008; 1,333,335 are exercisable at A$0.20 in the same period and 1,200,000 are exercisable at A$0.20 on or before 16 October 2008.

34. Cash and short term deposits

	2007 US$000	2006 US$000	2005 US$000
Cash at bank and in hand	5,297	39,899	310
Short term deposits	28,207	4,365	—
Total cash and cash equivalents	33,504	44,264	310

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Consolidated Minsec Group, and earn interest at the respective short term deposit rates. There are no other amounts considered to be cash and cash equivalents, the fair value of which is US$33,504,000 (2006: US$44,264,000, 2005: US$310,000).

These balances are the sole components of cash and cash equivalents for the purposes of the cash flow statements.

Included in these balances are US$590,000 (2006: US$592,000) of cash and US$2,132,000 (2006: US$4,957,000) of short term deposits held by Buka Gold which are therefore not necessarily available to the Consolidated Minsec Group.

35. Trade and other payables

	2007 US$000	2006 US$000	2005 US$000
Trade payables	1,950	958	178
Social security contributions accrued on share based payments	833	560	—
Other accruals	3,348	1,285	—
Other payables	495	46	—
	6,626	2,849	178

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36. Financial liabilities

	2007			2006			2005
	Current	*Non-current*	*Total*	*Current*	*Non-current*	*Total*	*Total*
	US$000	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*
Finance leases and hire purchase contracts	25	21	46	192	68	260	—
Option liabilities	6,487	7,306	13,793	—	—	—	—
Bank loans	13,292	—	13,292	—	—	—	—
	19,804	7,327	27,131	192	68	260	—

(a) ***Finance leases and hire purchase contracts***

The Consolidated Minsec Group has finance lease contracts and hire purchase contracts for various items of plant and equipment. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	2007	*2006*	*2005*
	US$000	*US$000*	*US$000*
Minimum lease payments:			
Within one year	28	201	—
In two to five years	23	85	—
Total minimum lease payments	51	286	—
Deferred interest	(5)	(26)	—
Present value of finance lease liabilities	46	260	—

(b) ***Bank loans***

The Consolidated Minsec Group's principal facility at 30 September 2007 was an A$15,000,000 (US$13,292,000) fully drawn facility from Macquarie Bank Limited which expired on 31 January 2008. The facility is secured by a mortgage over the Consolidated Minsec Group's investments in CopperCo and Tianshan together with a fixed and floating charge over the assets of Mineral Securities Operations Limited, Mineral Securities Holdings Pty Limited and Platmin Holdings Pty Limited. Interest is charged on the facility at the Australian interbank bill rate plus a margin of 3%. At the balance sheet date the interest rate was 9.965%. This facility was extended as described in note 53e.

37. Financial instruments

An explanation of the Consolidated Minsec Group's financial instrument risk management objectives, policies and strategies is set out in the discussion of treasury policies in the Directors' Report included in the annual report for the period ended 30 September 2007.

(a) ***Treasury and financial risk management***

Minsec continually reviews its approach to the management of financial risk. Control over treasury and risk management is exercised by the Minsec board and its Audit and Risk committee through the setting of policy and the regular review of forecasts and financial exposures. At present, no financial instruments are used for treasury management and Minsec does not undertake any trading activity in financial instruments other than accepting, holding and disposing of options in investee companies.

Interest rate risks

Until the Minsec Scarborough Merger, the Consolidated Minsec Group had effectively no borrowings and its main exposure was to change in the floating rates of interest that it received on its unapplied cash balances. The Consolidated Minsec Group did not hedge its interest rate exposure since it was not possible to say when the cash would be applied. At the Minsec Scarborough Merger, the Consolidated Minsec Group acquired Minsec Australia's A$15,000,000 loan due to Macquarie Bank. This loan bore interest at a rate of 3% over the Australian interbank bill rate.

Exchange rate risks

Although Scarborough was a UK company it had already adopted US dollars as its presentation currency. As a BVI company, Minsec also uses US dollars as both its functional and presentation currency. Minsec's activities are global in nature. Wherever possible, receipts and payments in foreign currencies are matched to create natural hedges.

As a holder of cash deposits in Pounds Sterling as well as US dollars, with no certainty regarding the timing of outflows, the Consolidated Minsec Group has been exposed to currency rate fluctuations although due to the weakness of the US dollar this actually resulted in an increase in cash balances of US$3,206,000 in the period ended 30 September 2007.

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(b) ***Interest rate risk profile of financial assets and liabilities***

	Within 1 year US$000	*1–2 years US$000*	*2–3 years US$000*	*3–4 years US$000*	*4–5 years US$000*	*More than 5 years US$000*	*Total US$000*
30 September 2007							
Floating rate liabilities							
Option liabilities	6,487	836	—	141	6,329	—	13,793
Bank loans	13,292	—	—	—	—	—	13,292
	19,779	836	—	141	6,329	—	27,085
Fixed rate liabilities							
Finance leases and hire purchase contracts	25	6	15	—	—	—	46
	19,804	842	15	141	6,329	—	27,131
Floating rate assets							
Cash	5,297	—	—	—	—	—	5,297
Short term deposits*	28,207	—	—	—	—	—	28,207
	33,504	—	—	—	—	—	33,504
30 September 2006							
Fixed rate liabilities							
Finance leases and hire purchase contracts	192	47	6	15	—	—	260
Floating rate assets							
Cash	39,899	—	—	—	—	—	39,899
Short term deposits*	4,365	—	—	—	—	—	4,365
	44,264	—	—	—	—	—	44,264
30 June 2005							
Floating rate assets							
Cash	310	—	—	—	—	—	310

* Short term deposits have terms from 1 to 3 months. On expiry they are either rolled over for another similar term or redeemed.

(c) ***Credit risk***

At the balance sheet date, the Consolidated Minsec Group's cash was held in two separate reputable banks and so management considers that there are no unreasonable concentrations of credit risk within the Consolidated Minsec Group.

(d) ***Fair and book values of financial assets and financial liabilities***

	Book value			*Fair value*		
	2007 US$000	*2006 US$000*	*2005 US$000*	*2007 US$000*	*2006 US$000*	*2005 US$000*
Financial assets						
Cash	5,297	39,899	310	5,297	39,899	310
Short term deposits	28,207	4,365	—	28,207	4,365	—
Derivative financial instruments	5,719	—	—	5,719	—	—
Financial assets available-for-sale	161,978	15,710	8,614	161,978	15,710	8,614
	201,201	59,974	8,924	201,201	59,974	8,924
Financial liabilities						
Finance lease and hire purchase obligations	46	260	—	46	260	—
Option liabilities	13,793	—	—	13,793	—	—
Bank loans	13,292	—	—	13,292	—	—
	27,131	260	—	27,131	260	—

(e) ***Hedges***

At 30 September 2007, the Consolidated Minsec Group had no hedge arrangements in place (2006: none, 2005: none).

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38. Option liabilities

(a) ***Minsec Class A options***

The Minsec Class A options were issued to holders of Minsec Australia Class A options at a ratio of 1:1 and were traded on ASX in the form of CDIs.

	Number of options and shares	*US$000*
The Restructuring	10,444,101	—
The Minsec Scarborough Merger	—	10,555
Exercised	(2,375)	(2)
Gain recognised in income statement	—	(4,066)
30 September 2007	10,441,726	6,487

Rights of holders of Minsec Class A options

Option holders have the right to subscribe for one Ordinary Share in Minsec for every Class A option held. The options are exercisable at a price of A$1.15 (US$1.02) per Minsec Ordinary Share before 31 January 2008. All these options have now either been exercised or have expired as described in note 53a.

(b) ***Minsec Class B options***

The Minsec Class B options were issued to holders of Minsec Australia Class B options at a ratio of 1:1.

	Number of options and shares	*US$000*
The Restructuring	1,300,000	—
The Minsec Scarborough Merger	—	1,338
Gain recognised in income statement	—	(502)
30 September 2007	1,300,000	836

Rights of holders of Class B options

Option holders have the right to subscribe for one Ordinary Share in Minsec for every Class B option held. The options are exercisable at a price equivalent to A$1.25 (US$1.11) per Minsec Ordinary Share before 31 January 2009. None has been exercised between 30 September 2007 and the date of approval of this financial information.

(c) ***Minsec Class C options***

The Minsec Class C options were issued to holders of Minsec Australia Class C options at a ratio of 1:1.

	Number of options and shares	*US$000*
The Restructuring	626,250	—
The Minsec Scarborough Merger	—	549
Exercised	(626,250)	(244)
Gain recognised in income statement	—	(305)
30 September 2007	—	—

Rights of holders of Class C options

Class C option holders had the right to subscribe for one Ordinary Share in Minsec for every Class C option held. The options were exercisable at a price of A$1.30 (US$1.15) per Minsec Ordinary Share before 30 September 2007. All the options were exercised before they expired.

(d) ***Minsec Class D options***

	Number of options and shares	*US$000*
The Minsec Scarborough Merger	7,533,333	8,985
Gain recognised in income statement	—	(2,656)
30 September 2007	7,533,333	6,329

Rights of holders of Class D options

Class D option holders have the right to subscribe for one Ordinary Share in Minsec for every Class D option held. The options are exercisable at a price of £0.63 (US$1.29) per Minsec Ordinary Share on or before 30 September 2012. None has been exercised between 30 September 2007 and the date of approval of this financial information.

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(e) ***Minsec Class E options***

	Number of options and shares	*US$000*
The Minsec Scarborough Merger	280,000	226
Gain recognised in income statement	—	(85)
30 September 2007	280,000	141

Rights of holders of Class E options

Class E option holders have the right to subscribe for one Ordinary Share in Minsec for every Class E option held. The options are exercisable at a price of £0.9075 (US$1.86) per Minsec Ordinary Share on or before 19 April 2011. None has been exercised between 30 September 2007 and the date of approval of this financial information.

39. Provisions

	Employee benefits US$000	*Rehabilitation US$000*	*Total US$000*
1 July 2004	8	—	8
Arising during the period	4	—	4
Currency translation	1	—	1
30 June 2005	13	—	13
Acquisition of Gympie	989	582	1,571
Arising during the period	27	348	375
Utilisation	(164)	—	(164)
Currency translation	(16)	(10)	(26)
30 September 2006	849	920	1,769
The Minsec Scarborough Merger	181	—	181
Winding down mining operations at Gympie (note 16)	329	—	329
Utilisation	(572)	—	(572)
Transfer to other payables	(502)	—	(502)
Currency translation	147	173	320
30 September 2007	432	1,093	1,525
Current	311	—	311
Non-current	121	1,093	1,214
30 September 2007	432	1,093	1,525
Current	529	—	529
Non-current	320	920	1,240
30 September 2006	849	920	1,769
Current	13	—	13
30 June 2005	13	—	13

Provision for rehabilitation is recognised for the expected costs associated with the rehabilitation of the Gympie mine site area. The provision is based on the best estimate of the direct expenditure to be incurred not associated with on-going activities.

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EQUITY

40. Reconciliation of movements in total equity

	Net equity Capital (note 41) US$000	*Reserves (note 45) US$000*	*Consolidated Minsec Group shareholders' equity US$000*	*Minority Interests (note 46) US$000*	*Total Equity US$000*
1 July 2004	19,157	(4,338)	14,819	—	14,819
Net unrealised loss on financial assets available- for-sale	—	(805)	(805)	—	(805)
Net profit for the year	—	851	851	—	851
Currency translation	1,842	(416)	1,426	—	1,426
30 June 2005	20,999	(4,708)	16,291	—	16,291
Acquisition of Gympie (note 4)					
Acquisition of assets	9,532	(452)	9,080	—	9,080
Buka Gold initial public offering	—	—	—	8,113	8,113
Issues of Buka Minerals Shares	1,565	—	1,565	—	1,565
Three-Way Merger (note 5)	28,757	—	28,757	—	28,757
Scarborough Placing	39,014	—	39,014	—	39,014
Share issue costs	(3,478)	—	(3,478)	—	(3,478)
Issue of LTIP investment shares	2,060	—	2,060	—	2,060
Share based payments	5,902	—	5,902	11	5,913
Realised gains on financial assets available-for-sale	—	(1,125)	(1,125)	—	(1,125)
Net unrealised gain on financial assets available-for-sale	—	3,444	3,444	—	3,444
Deferred tax	—	(455)	(455)	—	(455)
Loss for the period	—	(14,999)	(14,999)	(4,179)	(19,178)
Currency translation	4,847	(2,624)	2,223	(116)	2,107
30 September 2006	109,198	(20,919)	88,279	3,829	92,108
The Minsec Scarborough Merger (note 6)					
Deemed acquisition of Minsec Australia	130,949	—	130,949	—	130,949
Issue of Class D options	—	(8,985)	(8,985)	—	(8,985)
Consolidated Minsec Group share of Minsec Australia's pre-acquisition equity	165	27,707	27,872	1,398	29,270
Derecognised gains on treasury shares	—	(10,045)	(10,045)	—	(10,045)
Derecognised deferred tax thereon	—	2,389	2,389	—	2,389
Recognised on Buka Minerals share of CopperCo	—	4	4	—	4
NiPlats deconsolidation (note 7)	—	—	—	(1,353)	(1,353)
Minsec Share Options exercised	959	—	959	—	959
Share based long term incentives	2,328	—	2,328	69	2,397
Realised gains on financial assets available-for-sale	—	(2,122)	(2,122)	—	(2,122)
Net unrealised loss on financial assets available-for-sale	—	(20,408)	(20,408)	—	(20,408)
Impairment recognised in income statement	—	1,150	1,150	—	1,150
Deferred tax	—	76	76	—	76
Profit (loss) for the period	—	77,197	77,197	(1,283)	75,914
Share of associates	—	(2,244)	(2,244)	—	(2,244)
Currency translation	10,442	1,947	12,389	570	12,959
30 September 2007	254,041	45,747	299,788	3,230	303,018

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41. Net equity capital

	Ordinary shares US$000	*Treasury shares US$000*	*Net ordinary share capital (note 42) US$000*	*Employee share based payments (note 43) US$000*	*Net equity capital US$000*
1 July 2004	19,157	—	19,157	—	19,157
Currency translation	1,842	—	1,842	—	1,842
30 June 2005	20,999	—	20,999	—	20,999
Acquisition of Gympie (note 4)	9,532	—	9,532	—	9,532
Issues of Buka Minerals shares	1,565	—	1,565	—	1,565
The Three-Way Merger (note 5)	34,506	(5,749)	28,757	—	28,757
Scarborough Placing	39,014	—	39,014	—	39,014
Share issue costs	(3,478)	—	(3,478)	—	(3,478)
Issue of Scarborough LTIP investment shares	—	2,060	2,060	—	2,060
Share based long term incentives	—	—	—	5,902	5,902
Currency translation	4,723	(207)	4,516	331	4,847
30 September 2006	106,861	(3,896)	102,965	6,233	109,198
The Minsec Scarborough Merger (note 6)					
Deemed acquisition of Minsec Australia	154,343	(23,394)	130,949	—	130,949
Consolidated Minsec Group share of Minsec Australia pre-acquisition equity	(132)	—	(132)	297	165
Minsec Share Options exercised	959	—	959	—	959
Share based long term incentives	—	—	—	2,328	2,328
Currency translation	10,200	(373)	9,827	615	10,442
30 September 2007	272,231	(27,663)	244,568	9,473	254,041

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42. Net ordinary share capital

The complexity of the Consolidated Minsec Group's share capital history is reflected in the table below, which shows how the number of each company's shares in issue relates to the equity recognised in the balance sheet.

	Number of shares	*Net ordinary share capital US$000*	*Treasury shares US$000*	*Ordinary shares US$000*
Buka Minerals (no nominal value)				
1 July 2004	138,515,846	19,157	—	19,157
Currency translation		1,842	—	1,842
30 June 2005	138,515,846	20,999	—	20,999
Acquisition of Gympie (note 4)	41,868,172	9,532	—	9,532
Other issues (note 4)	7,077,115	1,565	—	1,565
Currency translation	—	(938)	—	(938)
Buka Minerals shares immediately prior to the Three-Way Merger	187,461,133	31,158	—	31,158
Greenwich (GBP 1 penny shares)				
1 October 2005	369,522,060			
Conversion of loan stock	154,182,900			
Greenwich shares immediately prior to the Three-Way Merger	523,704,960			
Scarborough (GBP 30 pence shares)				
Greenwich shares following 1 for 30 consolidation	17,456,831	—	—	—
The Three-Way Merger (note 5)				
Issued to Buka Minerals shareholders	38,804,044	—	—	—
Issued to Class A option holders	4,900,000	—	5,301	(5,301)
Issued to Danae shareholders	3,270,769	3,731	—	3,731
Issued to Danae preference shareholders	14,387,050	16,409	—	16,409
Issued to Danae ESOP	143,187	184	—	184
Value attributed to Greenwich	—	20,252	—	20,252
Scarborough shares owned by Danae transferred to Treasury	(9,366,431)	(11,050)	(11,050)	—
Share issue costs	—	(769)	—	(769)
Other transactions				
Shares issued in the Scarborough Placing	30,303,017	39,014	—	39,014
Shares issued to Scarborough LTIP awardees	1,600,000	2,060	2,060	—
Share based long term incentives	—	—	—	—
Share issue costs	—	(3,478)	—	(3,478)
Currency translation	—	5,454	(207)	5,661
30 September 2006	101,498,467	102,965	(3,896)	106,861
Currency translation	—	9,827	(373)	10,200
Scarborough shares immediately prior to the Minsec Scarborough Merger	101,498,467	112,792	(4,269)	117,061
Minsec (no nominal value)				
Issued to Minsec Australia shareholders in the Restructuring	76,983,563	—	—	—

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	Number of shares	*Net ordinary share capital US$000*	*Treasury shares US$000*	*Ordinary shares US$000*
The Minsec Scarborough Merger (note 6)				
Issued to Scarborough shareholders	83,489,163	—	—	—
Minsec shares issued for treasury shares	(2,293,136)	—	—	—
Issued to Mark Carnegie	512,000	—	—	—
Value attributed to Minsec Australia	—	154,343	—	154,343
Minsec shares owned by Scarborough transferred to Treasury	(11,668,668)	(23,394)	(23,394)	—
Consolidated Minsec Group share of Minsec Australia pre-acquisition equity	—	(132)	—	(132)
Other transactions				
Minsec Share Options exercised	628,625	959	—	959
Minsec shares in public hands at 30 September 2007	147,651,547	244,568	(27,663)	272,231
Treasury Shares	13,961,804			
Total Minsec shares in issue at 30 September 2007	161,613,351			

43. Employee share based payments

(a) ***Long term incentive plans***

The Minsec LTIP is the only material share based payment plan in place and replaced the Scarborough LTIP as a result of the Minsec Scarborough Merger. It is entirely equity-settled and the credit to equity in the period of US$2,328,000 (2006: US$5,902,000, 2005: nil) was determined using a Monte Carlo simulation option pricing model (see note 19).

Rights of Minsec LTIP awardees

LTIP awardees are entitled to receive between one and five award shares for each investment share they own, depending on the Consolidated Minsec Group's Total Shareholder Return performance relative to a group of companies over the period 19 April 2006 to 19 April 2009 for the Scarborough LTIP and 27 July 2007 to 26 July 2010 for the Minsec LTIP. Should an awardee leave the Consolidated Minsec Group's employment for any reason other than death, ill health, redundancy or retirement, or as a result of the disposal of the business by which he is employed, prior to the vesting date, the award will not vest unless the Remuneration committee, at its discretion, permits vesting, in which case the number of award shares is based on a range of half a share to five shares and the comparison period is shortened to the period from the inception date to the date of leaving. Finally under the Scarborough LTIP, should a change of control of Scarborough occur, then the awardees were entitled to receive five award shares for each investment share irrespective of the Total Shareholder Return achieved. Robert Champion de Crespigny AC waived this right on the Minsec Scarborough Merger in consideration for receiving his Minsec LTIP award. Mark Carnegie received 512,000 Minsec shares in consideration for giving up his rights under the Scarborough LTIP.

	Number of investment shares	*Maximum number of award shares*	*US$000*
Scarborough LTIP			
Awarded in period	1,600,000	8,000,000	5,902
Currency translation	—	—	331
30 September 2006	1,600,000	8,000,000	6,233
Minsec LTIP			
The Restructuring (new award to Keith Liddell)	768,000	3,840,000	297
The Minsec Scarborough Merger (termination of Mark Carnegie's award)	—	—	575
Replacement award to Robert Champion de Crespigny AC	768,000	3,840,000	563
Amortisation	—	—	1,199
Currency translation	—	—	606
30 September 2007	1,536,000	7,680,000	9,473

Keith Liddell's award included a performance condition whereby the number of investment shares and therefore award shares would double if the market capitalisation of the Consolidated Minsec Group exceeded A$250 million (then US$215 million) for twenty consecutive business days. This condition was met on 2 October 2007.

The spot price of Minsec shares at 30 September 2007 was US$1.52 (74.85 pence; A$1.70) per share.

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(b) ***NEDSOS options***

NEDSOS options are issued to non-executive directors in lieu of their normal fees. No options were issued in the period although as set out in the Remuneration committee report included in the annual report for the period ended 30 September 2007, 97,297 options were issued after the period end subject to shareholder approval which was obtained at the Annual General Meeting.

Rights of holders of NEDSOS options

Holders have the right to subscribe for one Minsec Ordinary Share for every option held. The options are exercisable at a price equivalent to the average price on ASX for the ten trading days prior to the deemed date of grant and have a term of five years from the deemed date of grant.

(c) ***MESOS options***

No options were issued in the period although as set out in the Remuneration committee report included in the annual report for the period ended 30 September 2007, 6,500,000 options were authorised to be issued after the period end.

Rights of holders of MESOS options

MESOS option holders have the right to subscribe for one Minsec Ordinary Share in Minsec for every option held. The options recently issued are exercisable at a price of £0.85 per Minsec Ordinary Share before 31 December 2010. To date 30% of the options granted have vested and assuming the grantee is still an employee at the date, a further 35% will vest on 31 October 2008 and the remaining 35% on 31 October 2009. None has been exercised between the balance sheet date and the date of approval of this financial information.

(d) ***Greenwich employee option schemes***

Greenwich shareholders had approved three employee share option schemes: the GESOS on 15 March 1995 and both the Greenwich Resources plc Enterprise Management Incentive Share Option Scheme and the Greenwich Resources plc 2005 Share Option Scheme on 15 April 2005 (the "2005 Schemes").

The only scheme with options outstanding at the date of the Minsec Scarborough Merger was the GESOS and under the scheme rules all the options lapsed as a result of the Minsec Scarborough Merger. As at 30 September 2006 and immediately prior to the Minsec Scarborough Merger there were 115,481 options over Scarborough Ordinary Shares at exercise prices ranging from 75 pence to 193.8 pence exercisable at various dates up to 30 April 2008, depending on when the option holder left Minsec's employment. (The GESOS rules required option holders to exercise within 18 months of ceasing to be an employee).

44. Equity options

(a) ***Scarborough Class A options***

The Scarborough Class A options were issued to holders of Buka Minerals Tranche 1 2010 options (exercisable at A$0.20) at a ratio of 2.94:1 as part of the Three-Way Merger. Option holders had the right to subscribe for one Ordinary Share in Scarborough for every 30 options held. The options were exercisable at a price equivalent to 30 pence per Scarborough Ordinary Share within 21 days of the Three-Way Merger date. Settlement was delayed until the implications of using the Treasury Shares were known. On 10 August 2006, 4,900,000 Treasury Shares were transferred to the Scarborough Class A option holders and the obligation extinguished, in return for which the option holders waived their right to receive 2.94 pence for each option that was required to fund the exercise if new shares were to be issued.

	Number of options	*Number of shares*
Buka Minerals Tranche 1 share options		
1 July 2005	50,000,000	50,000,000
Buka Minerals Tranche 1 options outstanding immediately prior to the Three-Way Merger	50,000,000	50,000,000
Scarborough Class A options		
The Three-Way Merger	147,000,000	4,900,000
Exercised	(147,000,000)	(4,900,000)
30 September 2006	—	—

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(b) ***Scarborough Class B options***

The Scarborough Class B options were issued in consequence of the Three-Way Merger to holders of Buka Minerals Tranche 2 2010 options (exercisable at 22.5 Australian cents) at a ratio of 5.65:1.

	Number of options	*Number of shares*
Buka Minerals Tranche 2 options		
1 July 2004	50,000,000	50,000,000
30 June 2005	50,000,000	50,000,000
Buka Minerals Tranche 2 options outstanding immediately prior to the Three-Way Merger	50,000,000	50,000,000
Scarborough Class B options		
The Three-Way Merger	282,500,000	9,416,666
30 September 2006	282,500,000	9,416,666
Scarborough Class B options outstanding immediately prior to the Minsec Scarborough Merger	282,500,000	9,416,666

As a result of the Minsec Scarborough Merger, holders of Scarborough Class B options received 4 Minsec Class D options for every 150 Scarborough Class B option held. (See note 38.)

(c) ***Contractual rights to be issued Minsec Ordinary Shares***

The Scarborough convertible redeemable preference shares had a 30 pence nominal value and were issued as part of the Three-Way Merger to the holders of Danae's preference shares which had been issued to fund the acquisition of an interest in the Zarmitan project.

	Number of shares issued and authorised
Scarborough convertible redeemable preference shares	
The Three-Way Merger	3,601,069
30 September 2006	3,601,069
Contractual rights to be issued Minsec Ordinary Shares	
The Minsec Scarborough Merger	2,880,855
30 September 2007	2,880,855

As a result of the Minsec Scarborough Merger, the Scarborough convertible redeemable preference shares were acquired by Minsec in consideration of granting a right to receive the equivalent number of Minsec Ordinary Shares at the Minsec Scarborough Merger conversion ratio of 4:5.

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45. Reserves

	Retained earnings (accumulated losses) US$000	*Net unrealised gains (losses) US$000*	*Consolidation reserves US$000*	*Share of associates' other reserves US$000*	*Currency translation US$000*	*Total US$000*
1 July 2004	(4,338)	—	—	—	—	(4,338)
Net unrealised loss on financial assets available-for-sale	—	(805)	—	—	—	(805)
Profit for the year	851	—	—	—	—	851
Currency translation	—	(9)	—	—	(407)	(416)
30 June 2005	(3,487)	(814)	—	—	(407)	(4,708)
Acquisition of Gympie (note 4)	(452)	—	—	—	—	(452)
Realised gains on financial assets available-for-sale	—	(1,125)	—	—	—	(1,125)
Net unrealised gain on financial assets available-for-sale	—	3,444	—	—	—	3,444
Deferred tax	—	(455)	—	—	—	(455)
Loss for the period	(14,999)	—	—	—	—	(14,999)
Currency translation	—	11	—	—	(2,635)	(2,624)
30 September 2006	(18,938)	1,061	—	—	(3,042)	(20,919)
The Minsec Scarborough Merger (note 6)						
Issue of Class D options	—	—	(8,985)	—	—	(8,985)
Consolidated Minsec Group share of Minsec Australia's pre-acquisition equity	1,010	17,356	7,382	(97)	2,056	27,707
Derecognised gains on treasury shares	—	(7,964)	—	—	(2,081)	(10,045)
Derecognised deferred tax thereon	—	2,389	—	—	—	2,389
Recognised on Buka Minerals share of CopperCo	—	(200)	200	—	4	4
Realised gains on financial assets available-for-sale	—	(2,122)	—	—	—	(2,122)
Net unrealised loss on financial assets available-for-sale	—	(20,408)	—	—	—	(20,408)
Impairment recognised in income statement	—	1,150	—	—	—	1,150
Deferred tax	—	(720)	113	675	8	76
Profit for the period	77,197	—	—	—	—	77,197
Share of associates	—	5	—	(2,249)	—	(2,244)
Currency translation	—	(854)	81	(86)	2,806	1,947
30 September 2007	59,269	(10,307)	(1,209)	(1,757)	(249)	45,747

46. Minority Interests

(a) ***Scarborough deferred shares***

At an Extraordinary General Meeting held on 10 December 2001 each issued Ordinary Share of 5 pence in the capital of Greenwich was subdivided into one Ordinary Share of 1 penny and four deferred shares of 1 penny each; and each unissued share of 5 pence was subdivided into five Greenwich Ordinary shares of 1 penny each. At the Scarborough Annual General Meeting on 7 March 2007, a resolution authorising the cancellation of the deferred shares was passed and Scarborough intends to make application to the High court for such cancellation in due course.

	Number of shares issued and authorised
1 October 2004	599,883,296
30 September 2005	599,883,296
30 September 2006	599,883,296

Rights of holders of Scarborough deferred shares

Holders of Scarborough deferred shares have no right to vote, attend or speak at or receive notice of Scarborough general meetings nor receive any dividends. On a winding up, once each of the holders of a Scarborough Ordinary Share held has received a distribution of £3,000,000 per Scarborough Ordinary Share, the holder of a Scarborough deferred share shall be entitled to receive an amount equal to the nominal value of each such Scarborough deferred share held.

No share certificates have been issued in respect of these shares which are effectively valueless and so they were excluded from the Minsec Scarborough Merger.

(b) ***Buka Gold ordinary shares***

The 41.57% of shares in Buka Gold issued in the course of the initial public offering described in note 4, and not owned by the Consolidated Minsec Group, give no rights over other group assets and are classed as Minority Interests.

(c) ***Buka Gold options***

As described in note 19 the employee options over Buka Gold shares, which give no rights over other group assets, are classed as Minority Interests.

(d) ***NiPlats ordinary shares***

In the period between the Minsec Scarborough Merger and the deconsolidation of NiPlats, described in note 7, the 43.4 % of its shares not owned by the Consolidated Minsec Group were classed as a Minority Interest.

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CASH FLOW

47. Significant non-cash transactions other than business combinations

(a) ***Exchange of CopperCo Shares and receivables for Minsec Shares.***

On 31 July 2006, Scarborough and Minsec announced that they had agreed to consolidate their interests in CopperCo within Minsec with Scarborough receiving new Minsec shares. Due to both the need for approval from shareholders of both CopperCo and Minsec and the nature of Scarborough's interests in CopperCo, the arrangement was split into four transactions relating to different tranches of CopperCo Shares:

(i) 25,000,000 CopperCo Shares were exchanged for 7,779,112 new shares in Minsec. This tranche completed on 2 August 2006 and generated a profit of US$4,530,000 in the 2006 period which reversed a loss of US$1,143,000 that had already been recognised in equity at 30 June 2005.

(ii) 5,000,000 CopperCo Shares were exchanged for 1,555,822 new shares in Minsec. This tranche completed on 19 October 2006 and generated a profit of US$829,000 to be recognised in 2007 all of which had already been recognised in equity at 30 September 2006 which in turn reversed a loss of US$228,000 that had been recognised at 30 June 2005.

(iii) 7,500,000 new CopperCo Shares that were issued in settlement of a liability to Scarborough of A$3,000,000 arising on the sale of the Lady Annie project in September 2004, were exchanged for 2,333,734 new shares in Minsec. This tranche also completed on 19 October 2006 and generated a profit of US$113,000 recognised in 2007.

(iv) 2,500,000 new CopperCo Shares were issued on 29 June 2007 in settlement of the liability to Scarborough of A$1,000,000 that became due when CopperCo satisfied all the conditions precedent for drawdown of its debt-funding facility for the development of a mine on the Lady Annie property. However, because of the impending completion of the Minsec Scarborough Merger, the subsequent issue of 777,911 new shares in Minsec did not proceed. Completion of tranche 4 resulted in the recognition of a profit of A$1,000,000 once the conditions were satisfied and a further A$1,000,000 on completion, a total of US$1,687,000, which has been recognised within gains on holdings in associates in the income statement.

There was no cash consideration in respect of this arrangement.

(b) ***Conversion of CopperCo convertible loan notes and deemed disposal of interest in CopperCo***

On 20 September 2007 the Consolidated Minsec Group exercised its right to convert US$3,070,000 of its convertible loan note in CopperCo which gave rise to a gain of US$2,078,000 which has been recognised in the income statement. On the same date CopperCo issued further shares resulting in a deemed gain on disposal of US$512,000.

(c) ***Acquisition of additional shares in Herencia***

On 27 September 2007, Herencia announced the satisfaction of the terms by which the Consolidated Minsec Group acquired a further 47,000,000 shares in Herencia being the final element in the consideration received for the sale by Minsec Australia of the Paguanta project in October 2005. The Consolidated Minsec Group has recognised a gain of US$541,000 on this transaction.

OTHER

48. Segmental analysis

(a) ***Primary segmentation – business line***

No segmental analysis has been presented since the Consolidated Minsec Group operates within a single business line: resource evaluation and exploitation.

(b) ***Secondary segmentation – Geographical***

	Australia US$000	*Rest of World US$000*	*Total US$000*
2007			
Revenue	5,279	282	5,561
Total assets	113,655	234,519	348,174
Capital expenditure			
Exploration, evaluation and development expenditure	3,950	693	4,643
Property, plant and equipment	131	126	257
2006			
Revenue	8,635	—	8,635
Total assets	47,939	49,490	97,429
Capital expenditure including the acquisition of Gympie			
Exploration, evaluation and development expenditure	8,148	20,326	28,474
Property, plant and equipment	3,153	13	3,166
Intangible assets including goodwill	6,050	5,373	11,423
2005			
Revenue	—	—	—
Total assets	16,482	—	16,482
Capital expenditure			
Exploration, evaluation and development expenditure	75	—	75
Property, plant and equipment	8	—	8

49. Capital commitments

The Consolidated Minsec Group has sufficient cash reserves available to meet planned expenditures at its main projects.

(a) ***Gympie***

There are minimum spend commitments with respect to the exploration ground of A$1,100,000 (US$976,000) in 2008. (For 2006, commitments were A$2,300,000 (US$1,717,226) in respect of 2007 and 2008.) There are no other contractual capital commitments and the budgeted exploration programme will be funded from Buka Gold's cash reserves which comprise US$2,722,000 of the balances shown in note 34.

(b) ***Lady Loretta***

The terms of the joint venture with Xstrata are such that should the Consolidated Minsec Group elect not to meet its share of ongoing project expenditure, its interest will be diluted *pro rata* to the contribution not made. As such there is no contractual commitment to the expenditures described below, but the Consolidated Minsec Group considers that it is commercially committed, in that it would be against its shareholders' interests not to meet its share of the proposed costs.

The joint venture currently expends approximately A$400,000 (US$355,000) per annum on maintaining the project with additional development expenditure as agreed by the partners. At 30 September 2007 the Consolidated Minsec Group's share of budgeted expenditure for 2008 that had not been reflected in the financial statements was approximately A$110,000 (US$98,000) (2006: A$325,000 (US$243,000), 2005: A$100,000 (US$76,000)), which encompasses maintenance expenditure and the Consolidated Minsec Group's share of a copper exploration budget.

The complete budget for 2008 has yet to be agreed but may include substantial expenditure on feasibility studies and/or mine development.

(c) ***Sappes***

The current focus on the Sappes project is the advancement of permitting, and more substantial expenditures will only arise on successful completion of the permitting process. A decision to move towards mine development could result in substantial expenditure in the next or future reporting periods.

(d) ***Vostok***

At 30 September 2007 the unmet capital commitments in respect of Vostok totalled US$2,024,000 (2006: US$2,837,000), which under the terms of the licence, have to be incurred by 17 September 2009. The Consolidated Minsec Group's current expectation is that this obligation will be met by Vale under the terms of the agreement discussed in note 8. Should Vale not meet this commitment then under that agreement, ownership of the project and therefore any remaining unfunded commitment will revert to the Consolidated Minsec Group.

50. Operating lease commitments

The Consolidated Minsec Group has commitments in respect of operating leases on its offices in London, Perth and Beijing as follows:

	2007 US$000	*2006 US$000*	*2005 US$000*
Payments within:			
One year	855	26	44
One to two years	769	—	—
Two to five years	2,275	—	—
Over five years	—	—	—
	3,899	26	44

51. Contingencies

(a) ***Lady Loretta***

Buka Minerals has given a guarantee of A$545,000 (US$484,000, 2006: US$407,000, 2005: US$415,000) in respect of potential rehabilitation obligations for Lady Loretta.

(b) ***Gympie***

GEM has given a guarantee of A$1,232,000 (US$1,093,000) (2006: A$179,000 (US$134,000)) in respect of potential rehabilitation obligations for Gympie.

(c) ***Kolsen Consortium***

Buka Minerals has given guarantees in favour of ANZ Bank and BT Margin in respect of their lending to the Kolsen Consortium. The amounts outstanding at 30 September 2007 are respectively A$1,819,000 (US$1,614,000) and A$1,220,000 (US$1,083,000) (2006: A$1,820,000 (US$1,358,850); and A$1,240,000 (US$925,810)); while the maximum amounts guaranteed are A$1,820,000 (US$1,615,000); and A$1,365,000 (US$1,211,000).

(d) ***Sappes***

Scarborough has given a guarantee of Euro 324,000 (US$462,000, 2006: US$410,000) in favour of the Ministry of Development in Greece in respect of potential rehabilitation obligations at Sappes.

(e) ***Macquarie Bank Limited***

At 30 September 2007 Mineral Securities Operations Limited and certain of its subsidiaries had provided a guarantee to discharge the finance facility provided by Macquarie Bank Limited described in note 36b.

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(f) ***Zarmitan***

The Consolidated Minsec Group's interest in Zarmitan is subject to a number of major uncertainties and so the net carrying amount attributed to the project at the Three-Way Merger date and in this financial information is nil. Resolving these uncertainties in a way satisfactory to the Consolidated Minsec Group is likely to require expenditure and if successful, further exploration and evaluation expenditure will be incurred. Furthermore, should the Consolidated Minsec Group institute a definitive feasibility study on the project before 26 October 2010 then this would trigger the rights to be issued ordinary shares as described in note 44c.

52. Related party transactions

(a) ***Phipps and Company Limited ("Phipps & Co.")***

Stephen Phipps has a 25% equity interest in Phipps & Co. During 2007, Minsec supplied goods and services valued at US$1,000 to Phipps & Co. and from the date of the Three-Way Merger had the following contracts with Phipps & Co.:

i) a lease of business premises with an annual rental of £25,000 (US$51,000); and

ii) an agreement to supply services in connection with the above premises at an annual charge of £2,500 (US$5,100), both of which terminated on 31 October 2006.

In addition, Phipps & Co. is one of the founders of and has a non-controlling interest in Desire, of which Stephen Phipps is also a director.

(b) ***Bayeux Capital Management Pty Limited ("BCM")***

Robert Champion de Crespigny AC owns BCM. During the period, BCM supplied office space and administrative services to the Consolidated Minsec Group with a total value of A$33,000 (US$29,000) (2006: A$33,000 (US$25,000), 2005: A$43,000 (US$32,000)).

(c) ***Crosby Textor Research Strategies Results Pty Ltd ("Crosby Textor")***

Robert Champion de Crespigny AC is Non-executive Chairman of Crosby Textor. During the period the Consolidated Minsec Group supplied Crosby Textor with office space and administrative services to the value of £18,370 (US$37,616) while in 2006 Crosby Textor supplied ad-hoc market research services to the Consolidated Minsec Group to the value of £5,051 (US$9,082) (2005: nil).

(d) ***Convertible loans***

On 21 February 2006, Champion de Crespigny Superannuation Pty Limited and Carnegie Wylie & Company Pty Limited entered into convertible loan agreements with Scarborough whereby each of them agreed to lend to Scarborough, conditional upon completion of the Three-Way Merger, the sum of £1,250,000 (US$2,216,000) should the Scarborough Placing not proceed. The loan agreements provided that in the event that the loans were not drawn down each of the lenders was entitled to receive a non-utilisation fee of £25,000 (US$44,000) which fees were paid in 2006.

(e) ***Kolsen Consortium***

Robert Champion de Crespigny AC, Mark Carnegie and Ronald Walker are interested in, and John Richards was a director of, Kolsen. There have been no transactions between the Consolidated Minsec Group and Kolsen other than ordinary capital contributions.

(f) ***Albany Bay RV Investments Pty Limited ("Albany")***

Robert Champion de Crespigny AC has a 50% interest in Albany. During the period the Consolidated Minsec Group provided administrative services to the value of £4,079 (US$8,353).

(g) ***MRK***

During the period the Group provided bookkeeping and accountancy services to the value of £11,857 (US$24,280).

(h) ***Carnegie Wylie & Company ("CWC")***

Mark Carnegie was one of the principals of and was interested in the equity of CWC. During 2006, CWC supplied office space and administrative services in Australia to the Consolidated Minsec Group with a total value of A$121,515 (US$91,044) (2005: A$75,350 (US$56,783)). In the UK, a CWC subsidiary was the head tenant for office space in London until November 2006 and during 2006 recharged rentals totalling £104,946 (US$188,690).

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All the above arrangements were on normal commercial terms. The amounts outstanding at the balance sheet date and included in current balances were:

	Debtors			Trade creditors and accruals		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
	US$000	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*
Phipps & Co.	—	—	—	—	9	—
Crosby Textor	3	4	—	—	5	—
Albany	8	—	—	—	—	—
CopperCo	22	—	—	—	—	—
Minsands	45	—	—	—	—	—
MRK	29	—	—	—	—	—
Tianshan	16	—	—	—	—	—
Herencia	2	—	—	—	—	—
NiPlats	53	—	—	—	—	—
CWC	—	—	—	—	49	4
BCM	—	—	—	29	1	6
	178	4	—	29	64	10

(i) *Associates*

The following charges to associates were made in the post Minsec Scarborough Merger period:

	Rent	*Interest*	*Administration*	*Directors' fees*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*
CopperCo	31,009	53,235	4,826	15,794	104,864
Tianshan	—	—	81,378	—	81,378
Minsands	—	—	27,897	—	27,897
Herencia	—	—	1,294	5,046	6,340
NiPlats	—	—	60,477	—	60,477
	31,009	53,235	175,872	20,840	280,956

53. Post balance sheet events

Unaudited financial statements for the six months ended 31 March 2008 are reproduced in Section F of Part II. Material events during and subsequent to that period are:

(a) ***Exercise of Minsec Class A Options***

In the period from 1 October 2007 to 31 January 2008, 9,664,225 Minsec Class A options were exercised. This extinguished option liabilities valued at US$6,487,000 at 30 September 2007, and generated receipts of US$9,988,000 of which US$2,563,000 was used to fund the purchase of shares in Platmin as described below, leaving US$7,425,000 available for general corporate purposes.

(b) ***Chaarat IPO***

On 8 November 2007, Chaarat's shares were admitted to trading on AIM at a price of £0.60 (US$1.26). Following the allocation of shares to new investors the Consolidated Minsec Group holds a 9.5% interest in Chaarat, which at 14 December 2007 had a market value of US$7,406,000 compared with the carrying value of US$6,924,000 shown in note 30.

(c) ***Subscriptions to Associates' fundraisings***

The Consolidated Minsec Group has subscribed to the following fundraisings by associates

	Date	*Amount raised US$000*	*Minsec participation US$000*	*Interest on completion %*
Tianshan	14 November 2007	12,440	2,000	19.27
Herencia	7 November 2007	5,420	2,493	46.00
			4,493	

(d) ***Agreement to acquire additional shares in Platmin***

On 9 November 2007 Minsec announced that it had entered into an agreement to purchase, in three tranches, up to 11,122,049 common shares of Platmin at a price of C$9.90 (US$10.50), representing 11.2% of the then issued and outstanding shares of Platmin. After completion of the proposed share purchases which is subject to arranging the necessary funding, Minsec will own 26,351,819 shares representing 24.2% of the currently issued and outstanding common shares of Platmin (23.9% if the follow-on element of Platmin's recently completed equity raising is fully subscribed). On 22 November 2007, Minsec announced the completion of the purchase of the first tranche of 1,000,000 common shares which was funded from the Consolidated Minsec Group's existing cash resources. On 21 December 2007, Minsec

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announced the completion of the purchase of the second tranche of 3,000,000 common shares which was mainly funded by the facility described below. On 1 February 2008 Minsec announced that it had been unable to secure funding on acceptable terms and that the third tranche would not proceed.

(e) ***Extended Macquarie loan facility***

On 21 December 2007, Minsec announced that Macquarie Bank Limited had extended the facility described in note 36b to A$45,000,000 in consideration of which Minsec had granted them 2,500,000 unlisted Class F options exercisable at A$2.30 per option on or before 31 January 2010. These option liabilities are valued at US$553,000 at inception which will be accounted for as a finance cost over the life of the facility. The facility has subsequently been amended and, as at the date of this document, has a maturity date of 31 December 2008.

(f) ***Tianshan preference share conversion***

On 21 December 2007, Minsec announced that following a meeting of its shareholders, Tianshan had issued 26 million Tianshan ordinary shares to Minsec on the conversion of the preference share described in note 30. Based on the closing Tianshan share price on 14 December 2007, the value of the converted preference share now issued to Minsec is US$11.2 million compared with the carrying value in these accounts of US$9,690,000.

(g) ***CopperCo and Mineral Securities Merger***

The Directors of CopperCo and Minsec announced on 29 January 2008 an agreement to merge the two companies to create a diversified global resource company with interests in base and precious metals including copper, zinc, lead, platinum and gold. The substantive details are available on the Minsec and ASX web sites.

(h) ***Acquisition of Platmin shares from Keith Liddell***

On 31 January 2008, Minsec purchased 316,904 common shares in Platmin from Keith Liddell for the total consideration of US$2,563,000.

(i) ***Acquisition of Qixia***

On 6 May 2008, a wholly owned subsidiary of Minsec, Mineral Securities Golden Sea Limited ("MSGS") completed the first stage of its investment in Shandong Yantai Golden Sea Mining Company Ltd ("SYGMC"). SYGMC is a Chinese incorporated joint venture company that holds the exploration tenements that form the Qixia Golden Sea project. The completion of this first stage of funding of US$1,200,000 results in MSGS holding a 75% interest in SYGMC, which will be treated as a subsidiary in subsequent accounts.

54. Transition to IFRSs

Reconciliation of consolidated total equity of Buka Minerals Group as presented under Australian GAAP to that under IFRS.

	30 June 2005 US$000	*1 July 2004 US$000*
Consolidated total equity under Australian GAAP	17,105	14,819
Adjustment to show financial assets available-for-sale at fair value*	(814)	—
Consolidated total equity under IFRSs	16,291	14,819

* Under IAS 39 "Financial Instruments: Recognition and Measurement", financial assets available-for-sale are measured at fair value with fair value changes taken to equity. Where assets are quoted in an active market, the fair value is the current bid price. This adjustment recognises the fair value adjustment attributable to financial assets available-for-sale by Buka Minerals Group.

No differences arise from the adoption of IFRSs between the Consolidated Minsec Group's consolidated profit from ordinary activities after income tax expense and that of Buka Group presented under Australian GAAP for the year ended 30 June 2005.

Table of Consolidated Minsec Group Interests as at 30 September 2007

Name of company	*Shares held*	*Proportion of voting rights and shares held %*	*Nature of business*	*Country of incorporation (operation)*
Subsidiaries				
Held directly by Minsec				
MinSec Investments (BVI) Limited	Ordinary	100.00	Holding Company	British Virgin Islands
Held indirectly				
Scarborough Minerals plc*	Ordinary	100.00	Management and holding company	England
Andalucia Mineral Services Limited*	Ordinary	100.00	Dormant	England
Sierra Minerals Limited*	Ordinary	100.00	Holding company	England
Sierra Explorations SA*	Ordinary	100.00	Dormant	Chile
Thrace Investments BV*	Ordinary	100.00	Holding company	Netherlands
Kyprou Gold Limited*	Ordinary	100.00	Holding company	England
Thrace Minerals Hellas SA*	Ordinary	100.00	Exploration and mining	Greece
Greenwich Resources (Czech Republic)*	Ordinary	100.00	Dormant	Czech Republic
Scarborough NL*	Ordinary	100.00	Dormant royalty	Australia

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Name of company	*Shares held*	*Proportion of voting rights and shares held %*	*Nature of business*	*Country of incorporation (operation)*
Scarborough Minerals (Finance) Limited*	Ordinary	100.00	Holding company	England
Scarborough Minerals Overseas Holdings Limited*	Ordinary	100.00	Holding company	England
Scarborough Minerals International BV*	Ordinary	100.00	Holding company	Netherlands
Scarborough Minerals (Australia) Limited*	Ordinary	100.00	SCRB ASX agent	Australia
SM Corporate Secretary Limited*	Ordinary	100.00	Group administration	England
SM Corporate Director Limited*	Ordinary	100.00	Group administration	England
Danae Resources NL*	Ordinary	100.00	Holding company	Australia
Manor Resources NL*	Ordinary	100.00	Dormant	Australia
Multiplex Development Zarmitan Limited*	Ordinary	100.00	Resource evaluation	England
Buka Minerals Pty Limited*	Ordinary	100.00	Management and holding company	Australia
Kadina Pty Limited*	Ordinary	100.00	Holding company	Australia
Buka Gold Limited*	Ordinary	58.43	Holding company	Australia
Buka Minerals (Lady Loretta No 2) Pty Limited*	Ordinary	100.00	Resource evaluation	Australia
Buka Technologies Pty Limited*	Ordinary	100.00	Dormant	Australia
Gympie Eldorado Mining Pty Limited**	Ordinary	100.00	Exploration and mining	Australia
Mineral Securities Investments (Australia) Pty Limited†	Ordinary	100.00	Holding company	Australia
Mineral Securities Operations Limited†	Ordinary	100.00	Management and holding	Australia
Mineral Securities (China) Pty Limited†	Ordinary	100.00	China representative office	Australia
Mineral Securities (NK) Pty Limited†	Ordinary	100.00	Holding company	Australia
Mineral Securities HK (NK) Limited†	Ordinary	88.00	Holding company	Hong Kong
Mineral Securities Golden Sea Limited†	Ordinary	100.00	Holding company	Hong Kong
Minsec Small Cap Resource Fund†	Ordinary	100.00	Investment fund	Australia
Mineral Securities (SA) P/L†	Ordinary	83.30	Dormant	South Africa
Platmin Holdings Pty Limited†	Ordinary	100.00	Holding company	Australia
Cuesta Resources (BVI) Limited†	Ordinary	100.00	Dormant	British Virgin Islands
Algarrobo Holdings (BVI) Limited†	Ordinary	100.00	Dormant	British Virgin Islands
Australis Exploration Pty Limited†	Ordinary	100.00	Exploration and mining	Australia
Mineral Securities Holdings Pty Limited†	Ordinary	100.00	Holding company	Australia
Allied Mining Pty Limited†	Ordinary	100.00	Dormant	Australia
Good West Investments Pty Limited†	Ordinary	100.00	Dormant	Australia
Australian Ferroalloys Pty Limited†	Ordinary	100.00	Dormant	Australia
Minsec Investment Holdings (BVI) Limited#	Ordinary	100.00	Holding company	British Virgin Islands
Associates (see note 29)				
CopperCo Limited†		19.85	Exploration and mining	Australia
Tianshan Goldfields Limited†		19.85	Exploration and mining	Australia (China)
Herencia Resources plc†		46.00	Exploration and mining	UK (Chile)
Minerals Sands Limited†		34.47	Exploration and mining	Australia
NiPlats Australia Limited†		44.12	Exploration and mining	Australia

* Scarborough Group interests (**held by Buka Gold)
† Minsec Australia Group interests
\# Incorporated post-period end

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DEFINED TERMS

Other than those terms defined below, terms used in this Section B of Part II of this document are as defined in the Glossary and Definitions section at the end of this document.

"Buka Group"	Buka Minerals and its subsidiaries;
"CWC"	Carnegie, Wylie & Company Pty Limited, a company registered in Australia under ACN 086 785 622;
"Danae ESOP"	the Danae employee share ownership plan which received 143,187 Scarborough Ordinary Shares for the shares it owned in Danae and was wound up in October 2006;
"Danae Group"	Danae Resources and its subsidiaries;
"Desire"	Desire Petroleum plc, a company registered in England and Wales under number 3168611 whose shares are traded on AIM (ticker DES);
"GESOS"	the 1995 Greenwich Executive Share Option Scheme;
"Greenwich and Greenwich Group"	Scarborough and its subsidiaries prior to the Three Way Merger;
"Gympie"	the tenements, exploration, development and mining assets and activities owned by GEM in and around Gympie in Queensland, Australia;
"IAS" and "IASs"	International Accounting Standard and International Accounting Standards as a whole;
"Kolsen" and "Kolsen Consortium"	Kolsen Pty Limited, ACN 111 384 144, the trustee for the Scarlett Unit Trust of which the beneficiaries include *inter alia* Buka Minerals and companies in which Robert Champion de Crespigny AC is interested. Kolsen and other related interests hold investments in Iluka Resources Limited on behalf of the beneficiaries funded by equity and debt guaranteed by the beneficiaries of which the Consolidated Minsec Group's share is described in note 51c;
"Minority Interests"	equity interests in subsidiaries not owned by the Consolidated Minsec Group i.e. 41.57% of Buka Gold and from the Minsec Scarborough Merger to 10 August 2007 43.4% of NiPlats;
"Minsec BVI"	Minsec before the Minsec Scarborough Merger;
"Minsec Investments (Australia)"	Minsec Investments (Australia) Pty Ltd, a company registered in Australia under ACN 125 112 325, which holds the shares of Minsec Australia;
"Minsec Investments (BVI)"	Minsec Investments (BVI) Limited, a company registered in BVI under number 139 0446, which holds the shares of Scarborough and Minsec Investments (Australia);
"Restructuring"	the acquisition by Minsec BVI of all the issued securities of Minsec Australia which became effective on 29 June 2007 and the conditional private acquisition of certain options to subscribe for Minsec Australia Shares which are not the subject, matter of either those schemes, resulting in Minsec Australia being a wholly owned subsidiary of Minsec BVI;
"Scarborough Group"	Scarborough and its subsidiaries;
"Scarborough LTIP"	the Long Term Incentive Plan approved by Scarborough shareholders at a general meeting of Scarborough held on 27 March 2006;
"Scarborough Ordinary Shares"	the Scarborough Ordinary Shares of 30 pence each created by the 30 for 1 share consolidation approved at a general meeting of Scarborough held on 27 March 2006;
"Scarborough Placing"	the issue and open offer of 30,303,017 Scarborough Ordinary Shares at 72.6 pence that raised £21,999,990 (US$39,014,000) and was effective on 19 April 2006;
"SINED"	Senior Independent Non-executive Director;

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"Treasury Shares"

the Scarborough Ordinary Shares owned by Danae and the Danae ESOP on the completion of the Three-way Merger, were classed as Treasury Shares for accounting purposes. Some of these shares were subsequently used to satisfy the exercise of the Scarborough Class A options and issued for cash to directors to allow them to participate in the Scarborough LTIP. In addition shares in Minsec issued to subsidiaries of Scarborough pursuant to the Restructuring also became Treasury Shares for accounting purposes on completion of the Minsec Scarborough Merger. Under the law of the British Virgin Islands these shares are not classed as Treasury Shares and carry full voting rights;

"Total Shareholder Return, TSR"

Total Shareholder Return is one of Minsec's key performance indicators and the basis for determining the number of award shares the participants of the Scarborough LTIP and the participants of the Minsec LTIP receive. TSR is calculated as the ratio of the Final Price times the Base Shares plus the Dividend Shares, less the Base Price times the Base Shares, to the Base Price times the Base Shares.

TSR =

$$\frac{\text{(Final Price x (Base Shares + Dividend Shares)) – (Base Price x Base Shares)}}{\text{Base Price x Base Shares}} \times 100$$

Where:

"Final Price" is the average of the share price over the month preceding the date of the calculation. (If the share price is denominated in Australian dollars, the average share price is converted to pounds Sterling using the FX rate prevailing on the calculation date);

"Base Shares" is the number of shares outstanding on the Start Date.

"Dividend Shares" is the number of shares deemed to have been purchased with any dividends paid after the Start Date where it is assumed that they are reinvested into shares on the dividend payment dates at a price equivalent to the average share price over the month immediately preceding the dividend payment date.

"Base Price" is the share price on the Start Date. Start Date for the Scarborough LTIP was 19 April 2006 the date of the Three-Way Merger and Scarborough Placing or, if later, the effective date of a Scarborough LTIP award. Start Date for the Minsec LTIP was 27 July 2007 being the sixth business day following completion of the Minsec Scarborough Merger.

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ABN 95 004 434 904

Half Year Financial Report For The Six Months Ended 31 December 2007

COMPANY INFORMATION

CORPORATE DIRECTORY

DIRECTORS

Keith Liddell *(Non Executive Chairman)*
Brian Rear *(Managing Director)*
Richard Basham *(Non Executive Director)*
Hon. John Moore AO *(Non Executive Director)*
Peter Patrikeos *(Non Executive Director)*

COMPANY SECRETARIES

Phillip Hartog/Mark Bolton

REGISTERED AND PRINCIPAL OFFICE

Level 22
Allendale Square
77 St Georges Terrace
Perth WA 6000
Telephone: (08) 9260 8800
Facsimile: (08) 9225 6091
Website:www.copperco.com.au

ACN

004 434 904

AUDITORS

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The Ernst & Young Building
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Perth WA 6000
Telephone: (08) 9429 2222

SHARE REGISTRY

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Level 2,
Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033
Website:www.computershare.com.au

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DIRECTORS' REPORT

The Directors submit their report for CopperCo Limited ("CopperCo" or "the Company"), for the half year ended 31 December 2007.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Keith Stuart Liddell *(Non Executive Chairman)*

BSc (Hons), MSc (Engineering), FAusIMM, CP (Metallurgy), CP (Management), C Eng (UK), Pr Eng (South Africa), FIE Aust, FSAIMM, MIMMM

Brian James Rear *(Managing Director)*

AWASM (Metallurgy), MSc (London), DIC, MBL (SA), MAICD

Richard John Basham *(Non Executive Director)*

FCA, Fin SA

Hon. John Moore AO *(Non Executive Director)*

B.Comm, AAUQ

Peter Patrikeos *(Non Executive Director)*

Barrister and Solicitor

Company Secretaries

Phillipus Willem Hartog

B.Bus, CIA, CPA

Mark Graham Bolton – Resigned 21 February 2008

B.Bus, Graduate Diploma in Applied Finance and Investment

Corporate Structure

CopperCo Limited is a company limited by shares and is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal Activities of the consolidated entity during the course of the half year consisted of exploration, evaluation and production of LME "A" Grade Copper cathode.

Results

The consolidated entity recorded a gross profit of A$13,976,889 from revenue of A$23,351,981, a profit before tax of A$584,292 and an operating loss after income tax of A$266,467 (2006: A$4,019,517). No income tax is payable. The company commenced production of LME "A" Grade Copper from the Lady Annie Copper Project during the reporting period.

The gross operating margin of the consolidated entity was 60% and the EBITDA margin was 33%

Review of Operations

Mining Operations

Lady Annie Operations

The Lady Annie Copper Project was successfully commissioned in September 2007 with plating of LME "A" grade copper cathode commencing on 27 September 2007. Ramp up to nameplate capacity is expected in April 08 as inventory under leach reaches design levels.

Copper produced from the Lady Annie project during the December quarter totalled 2,984 tonnes from 780,743 tonnes of ore stacked at a grade of 0.84% Cu. Copper cathode sold (2,928 tonnes) generated Sales Revenue of A$23.35M for an average weighted price of A$7,974 per tonne at average A$ to US$ exchange rate of 0.89. For the half year to December 2007 a total of 1,021,908 tonnes of ore was mined at an average copper grade of 0.92% Cu, matching the grade prediction from the ore reserve model.

Over the corresponding 6 month period 780,743 tonnes of ore was stacked and placed under leach at an average copper grade of 0.84% Cu. Copper Leach Kinetics are matching design very closely with average acid consumption marginally below budget expectations. Unit cash costs for the December quarter including mining, processing, administration and royalties were US$1.11/lb, reflecting lower units of production to design but in line with expectations. Total cash costs are in line with budget.

Operational performance has achieved all key design and equipment performance expectations. Overall cash operating costs are in accordance with expectations, with mining in line with budget, processing under budget and site administration above budget, the latter reflecting additional manpower and changes to crew rosters.

Development Projects

Lady Annie Expansion Project

Steady progress was made on the expansion project during the period. The environmental approvals for the project have been granted and detail design commenced in the third quarter calendar 2007 with the appointment of the EPCM engineer. Preliminary construction activities commenced in January 2008.

Exploration

The global Mineral Resource for the Lady Annie Project is 40Mt at 0.9% Cu for 358,700 tonnes of contained copper at a 0.3% Cu ore cut-off grade. The Ore Reserve contains 142,200 tonnes of copper metal, which is a 25% increase on the Ore Reserve that the Feasibility study was based on.

Exploration and resource development RC and diamond drilling programmes have generated the following updated or new resource estimates within the last 6 monthly period:

- **Lady Annie & Lady Brenda Prospects** **21.9Mt at 1.0% Cu (209,100t of Cu)**
- **Flying Horse Prospect** **7.2Mt at 0.7% Cu (51,800t of Cu)**
- **Anthill Prospect** **3.9Mt at 1.1% Cu (43,200t of Cu)**

Corporate Activities

On 20 August 2007 the Company advised that 1,700,000 employee options were issued exercisable at 79 cents each and expiring on 19 July 2012.

On 20 September 2007 the Company advised that 33,000,000 shares have been allotted and issued of which 25,000,000 were options issued as part of Mezzanine Facility Agreement, and subsequently exercised by LinQ Resources Fund. A further 8,000,000 shares were issued to Mineral Securities Operations Limited issuing a Call Notice for A$3.6 million for a Convertible note issued as part of a A$30 million capital raising.

On 13 November 2007 shareholders approved the future issues under the current Employee Share Option Plan and adopted additional two new plans being the CopperCo Limited Employee Share Plan and the CopperCo Limited Executive Directors and Employees Option Plan.

On 5 December 2007, the Company secured a A$15 million facility for working capital purposes and expansion costs. Further to these agreements the Company issued 12.5 million unlisted options at an issue price of A$1.06 per share for no consideration and a further 2.5 million options subject to shareholder approval due to Mr Simon Moore being a related party under ASX Listing Rule 10.11 (for the purposes of ASX Listing Rule 3.10.3, and following shareholder approval on 21 April 2008, the options were issued to Mr Simon Moore on 23 April 2008 on the same terms as the options described above).

On 6 December 2007 the Company issued 1,000,000 shares at 20 cents a share following the exercise of unlisted options.

To manage forward copper pricing risk and to ensure CopperCo's medium term revenue achieves business plan objectives the Company has put in place a hedge programme to manage copper price risk and foreign currency exposure. The Company has entered into copper forward sale contracts for 34,100 tonnes at A$7,054/tonne commencing January 2008 through to July 2010 at 1,100 tonnes per month.

Subsequent Events

CopperCo and Mineral Securities Merger

The Directors of CopperCo Limited ("CopperCo") and Mineral Securities Limited ("MinSec") announced on 29 January 2008 an agreement to merge the two companies to create a diversified global resource company with interests in base and precious metals including: copper, zinc, lead, platinum and gold.

Auditors Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the Directors of CopperCo with an Independence Declaration in relation to the review of the annual financial report. This Independence Declaration is set out on page 7 and forms part of this report.

Signed in accordance with a resolution of the Directors.



Brian Rear
Managing Director

Dated at Perth, 27 February 2008

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ERNST & YOUNG

The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000
Australia

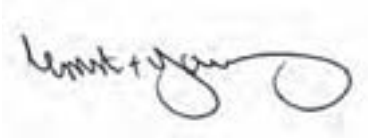
GPO Box M939
Perth WA 6843

Tel 61 8 9429 2222
Fax 61 8 9429 2436

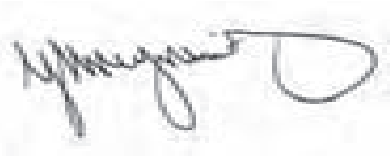
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Auditor's Independence Declaration to the Directors of CopperCo Limited

In relation to our review of the financial report of CopperCo Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner
Perth

27 February 2008

Liability limited by a scheme approved under Professional Standards Legislation.

Condensed Income Statement

For the Half Year Ended 31 December 2007

	Notes	Consolidated 2007 A$	2006 A$
Revenues from Ordinary Activities		23,351,981	—
Cost of Sales		8,486,529	—
Distribution expenses/royalties		888,563	—
Gross Profit		13,976,889	—
Interest income		217,848	832,349
Corporate and administrative expenses	4(i)	3,022,033	3,784,332
Finance costs	4(ii)	5,754,345	1,587,281
Other Expenses	4(iii)	4,834,067	—
Profit/(Loss) before Income Tax		584,292	(4,539,264)
Income tax (expense)/benefit relating to ordinary activities		(850,459)	519,747
Net Profit/(Loss) attributable to Members of the Company		(266,467)	(4,019,517)
Basic profit/(loss) per share (cents per share)		(0.072)	(0.012)
Diluted profit/(loss) per share (cents per share)		(0.061)	(0.012)

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Condensed Balance Sheet

For the Half Year Ended 31 December 2007

	Notes	Consolidated As at 31 December 2007 A$	As at 30 June 2007 A$
Current Assets			
Cash and cash equivalents		5,571,332	8,656,956
Trade and other receivables		7,670,220	2,654,646
Inventories		10,878,598	—
Derivatives		—	141,769
Total Current Assets		24,120,150	11,453,371
Non-current Assets			
Trade and other receivables		6,393,655	4,173,516
Deferred tax assets		30,048,205	30,975,249
Plant and equipment		84,782,889	47,325,545
Exploration expenditure		20,753,869	14,992,021
Development expenditure		37,953,009	24,942,519
Available for sale investment		5,606,729	7,412,776
Total Non-current Assets		185,538,356	129,821,626
Total Assets		209,658,506	141,274,997
Current Liabilities			
Trade and other payables		15,358,869	22,133,907
Interest bearing liabilities	5	3,653,210	3,512,399
Provisions		699,544	303,362
Derivatives		—	573,239
Total Current Liabilities		19,711,623	26,522,907
Non-current Liabilities			
Interest bearing liabilities	6	98,610,870	37,329,646
Provisions		5,864,178	5,807,613
Derivatives		24,745,531	20,747,164
Total Non-current Liabilities		129,220,579	63,884,423
Total Liabilities		148,932,202	90,407,330
Net Assets		60,726,304	50,867,667
Equity			
Contributed equity	7	164,918,624	159,550,922
Reserves		2,702,172	(2,055,230)
Accumulated losses		(106,894,492)	(106,628,025)
Total Equity		60,726,304	50,867,667

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Condensed Cash Flow Statement

For the Half Year Ended 31 December 2007

	Consolidated	
	2007	*2006*
	A$	*A$*
Cash Flows from Operating Activities		
Receipts from Customers	22,786,400	—
Interest received	239,165	1,006,996
Interest & other costs of finance paid	(2,936,533)	(1,223,216)
Payments to suppliers and employees	(32,301,021)	(6,776,941)
Other (GST)	7,013,117	991,909
Net Cash Flows used in Operating Activities	(5,198,872)	(6,001,252)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(46,107,812)	(5,639,337)
Payment for capital development	(12,234,919)	(8,518,988)
Security deposits made	(2,220,139)	(3,734,317)
Payments for exploration	(5,761,632)	(3,394,225)
Net Cash Flows used in Investing Activities	(66,324,502)	(21,286,867)
Cash Flows from Financing Activities		
Repayment of borrowings	—	(2,500,000)
Payment of capital raising costs	—	(32,547)
Proceeds from issue of shares	5,200,000	—
Proceeds from borrowings	63,237,750	—
Net Cash Inflows from Financing Activities	68,437,750	(2,532,547)
Net Increase/(Decrease) in Cash held	(3,085,624)	(29,820,666)
Add opening cash brought forward	8,656,956	40,904,483
Closing Cash carried forward	5,571,332	11,083,817

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Condensed Statement of Changes in Equity

	Issued Capital A$	*Accumulated Losses A$*	*Net Unrealised Gains Reserve A$*	*Option/ Employee Reserve A$*	*Derivative Reserve A$*	*Option Premium Reserve A$*	*Other A$*	*Total Equity A$*
At 1 July 2007	159,550,922	(106,628,025)	1,394,812	8,780,592	(14,320,670)	1,700,000	390,036	50,867,667
Increase in value of available for sale investment	—	—	—	—	—	—	—	—
Realised gain on available for sale investments	—	—	—	—	—	—	—	—
Net unrealised gain on derivatives	—	—	—	—	813,293	—	—	813,293
Tax effect	167,704	—	—	—	(243,988)	—	—	(76,284)
Total income and expense for the period recognised directly in equity	167,704	—	—	—	569,305	—	—	737,009
Investments – Zambezi Resources	—	—	—	—	—	—	—	—
Loss for the period	—	(266,467)	—	—	—	—	—	(266,467)
Total income/expense for the period	167,704	(266,467)	—	—	569,305	—	—	470,542
Issue of share capital	5,200,000	—	—	—	—	—	—	5,200,000
Cost of share based payment								
Transaction costs on options issued	—	—	—	3,475,000	—	—	—	3,475,000
Other		—	—	713,097	—	—	—	713,097
At 31 December 2007	164,918,624	(106,894,497)	1,394,812	12,968,689	(13,751,365)	1,700,000	390,036	60,726,300

Condensed Statement of Changes in Equity

	Issued Capital A$	*Accumulated Losses A$*	*Net Unrealised Gains Reserve A$*	*Employee Share Reserve A$*	*Option Premium Reserve A$*	*Total Equity A$*
At 1 July 2006	124,525,169	(50,979,351)	1,340,414	712,390	1,700,000	77,298,622
Impairment on available for sale investment	—	—	(574,463)	—	—	(574,463)
Tax effect	—	—	172,339	128,839	—	301,178
Total income and expense recognised in equity	—	—	(402,124)	128,839	—	(273,285)
Loss for the period	—	(4,019,517)	—	—	—	(4,019,517)
Total income and expense for the period	—	(4,019,517)	(402,124)	128,839	—	(4,292,802)
Issue of share capital	2,985,860	—	—	—	—	2,985,860
Cost of share-based payment	—	—	—	1,693,943	—	1,693,943
At 31 December 2006	127,511,029	(54,998,868)	938,290	2,535,172	1,700,000	77,685,623

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Notes to the Half Year Financial Report

1. Corporate Information

The financial report of CopperCo for the half-year ended 31 December 2007 was authorised for issue in accordance with a resolution of the directors on 26 February 2008.

CopperCo is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of the Company are exploration and an independent copper producer.

2. Summary of Significant Accounting Policies

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of CopperCo as at 30 June 2007.

It is also recommended that the half-year financial report is considered together with any public announcements made by CopperCo and its controlled entities during the half-year ended 31 December 2007, in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) ***Basis of preparation***

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* applicable Accounting Standards, including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The half-year financial report has been prepared in accordance with the historical cost basis except available-for-sale financial assets that have been measured at fair value. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars.

(b) ***Significant accounting policies***

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2007, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2007, as described in Note 2(d) and inventories as described below.

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing inventory to its present location and condition is accounted for as follows:

Ore

Inventories are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs.

Stores

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion, and the estimated costs necessary to make the sale.

(c) ***Basis of consolidation***

The half-year consolidated financial statements comprise the financial statements of CopperCo and its subsidiaries as at 31 December 2007.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the CopperCo Group and cease to be consolidated from the date on which control is transferred out of the CopperCo Group.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which CopperCo has control.

(d) ***Changes in accounting policies***

In the half year, the CopperCo Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) and the Urgent Issues Group that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2007. The adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the CopperCo Group.

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Reference	*Title*	*Summary*	*Application date of standard**	*Impact on Group financial report*	*Application date for Group**
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments arise from the release in August 2005 of AASB 7 Financial Instruments: Disclosures.	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the CopperCo Group's financial statements. However, the amendments will result in changes to the financial instruments disclosures included in the CopperCo Group's financial report.	1 July 2007
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments	The standard is a result of the AASB decision that, in principle, all accounting policy options currently existing in IFRS should be included in the Australian equivalents to IFRS and the additional Australian disclosures should be eliminated, other than those considered particularly relevant in the Australian reporting environment.	1 July 2007	As the CopperCo Group does not anticipate changing any of its accounting policy choices as a result of the issue of AASB 2007-4 this standard will have no impact on the amounts included in the Group's financial statements. Changes to disclosure requirements will have no direct impact on the amounts included in the CopperCo Group's financial statements. However the new standard may have an impact on the disclosures included in the CopperCo Group's financial report.	1 July 2007

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Reference	*Title*	*Summary*	*Application date of standard**	*Impact on Group financial report*	*Application date for Group**
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	Amending standard issued as a consequence of AASB 2007-4.	1 July 2007	Refer to AASB 2007-4 above.	1 July 2007
AASB 7	*Financial Instruments: Disclosures.*	New standard replacing disclosure requirements of AASB 132.	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 101 (revised October 2006)	Presentation of Financial Statements	Many of the disclosures from previous GAAP and all of the guidance from previous GAAP are not carried forward in the October 2006 version of AASB 101. The revised standard includes some text from IAS 1 that is not in the existing AASB 101 and has fewer additional Australian disclosure requirements than the existing AASB 101.	1 January 2007	AASB 101 is a disclosure standard so will have no direct impact on the amounts included in the CopperCo Group's financial statements. However, the revised standard may result in changes to the disclosures included in the CopperCo Group's financial report.	1 July 2007
AASB Interpretation 10	*Interim Financial Reporting and Impairment*	Addresses an inconsistency between AASB 134 *Interim Financial Reporting* and the impairment requirements relating to goodwill in AASB 136 *Impairment of Assets* and equity instruments classified as available for sale in AASB 139	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139 to take precedence over the more general statement in AASB 134 that interim reporting is not expected to have any impact on the Group's financial report.	1 July 2007

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Reference	*Title*	*Summary*	*Application date of standard**	*Impact on Group financial report*	*Application date for Group**
		Financial Instruments: Recognition and Measurement			
AASB Interpretation 11	*Group and Treasury Share Transactions*	Specifies that a share-based payment transaction in which an entity receives services as consideration for its own equity instruments shall be accounted for as equity-settled.	1 March 2007	Refer to AASB 2007-1 above.	1 July 2007

* designates the beginning of the applicable annual reporting period.

3. Segment Information

(a) ***Business segment***

The consolidated entity operates in one business segment, the resources sector.

(b) ***Geographic segment***

The consolidated entity operates in one geographic segment, Australia.

4. Profit/(Loss) from Ordinary Activities

Specific items

Profit/(Loss) from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

	Consolidated	
	2007 A$	*2006 A$*
(i) Corporate and administration expenses		
Depreciation of plant and equipment	103,862	29,573
Employee benefits	985,172	977,034
Expense of share based payments	589,387	1,693,942
Other expenditure	1,343,612	1,083,783
	3,022,033	3,784,332
(ii) Finance cost		
Borrowing costs	1,699,017	1,112,221
Interest	4,055,328	475,060
	5,754,345	1,587,281
(iii) Other expenses		
Development expenditure expensed	2,720,478	—
Impairment of available for sale investment	1,806,047	—
Other expenditure	307,542	—
	4,834,067	—

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5. Interest Bearing Liabilities (Current)

	Notes	Consolidated As at 31 December 2007 A$	Consolidated As at 30 June 2007 A$
Secured Loan	(i)	3,653,210	3,512,399
Total		3,653,210	3,512,399

(i) This relates to CopperCo's liability for its option interest in Zambezi and is secured on the investment in Zambezi. This amount represents the future value of cash flows discounted to its present value.

6. Interest Bearing Liabilities (Non-Current)

	Notes	Consolidated As at 31 December 2007 A$	Consolidated As at 30 June 2007 A$
Secured Loan			
Subordinated Debt Facility	(i)	16,010,902	14,910,822
Senior Debt Facility	(ii)	55,000,000	19,000,000
Bank Guarantee	(iii)	5,656,574	3,418,824
Cost overrun	(iv)	10,000,000	—
Issue of options	(v)	11,943,394	—
		98,610,870	37,329,646

(i) Subordinated Debt Facility is repayable no later than 30 June 2010. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.7 %. 20,000,000 options were issued as a condition to the provision of the financing facility and are amortised from the date of issue.

(ii) Senior Debt Facility is repayable no later than 30 June 2010. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.7 %.

(iii) Bank Guarantee is repayable no later than 30 June 2010. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.7 %. An increase in the bank guarantee of A$2,237,750 was granted during the half year.

(iv) Cost Overrun is repayable no later than 30 June 2010. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.7 %.

(v) 12,500,000 options were issued to Macquarie Bank (5,000,000), LinQ Resources (5,000,000) and Bell Co (2,500,000) as a condition to the provision of the financing facility and are amortised from the date of issue to 30 June 2010. A$2,500,000 Loan was received from S Moore. These facilities are repayable no later than 29 February 2008. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.7 %.

7. Contributed Equity and Reserves

	Number Of Shares	A$
(a) Issued and paid up capital		
Ordinary shares fully paid	441,619,978	164,918,624
(b) Movements in shares on issue		
At 1 July 2007	407,619,978	159,550,922
Issued during the half year		
Issue of shares on conversion of Convertible note	8,000,000	—
Issue of shares for options exercised	25,000,000	5,000,000
Issue of shares for options exercised	1,000,000	200,000
Tax effect of transaction costs previously not recognised	—	167,703
At 31 December 2007	441,619,978	164,918,624

8. Events After Balance Sheet Date

CopperCo and Mineral Securities Merger

The Directors of CopperCo and Minsec announced to ASX on 29 January 2008 an agreement to merge the two companies to create a diversified global resource company with interests in base and precious metals including: copper, zinc, lead, platinum and gold. The substantive details are available on the CopperCo and ASX web sites.

9. Loan to Related Party

An arms length loan of A$200,000 was made to Brian Rear on 30 Nov 2007. It is repayable no later than 31 December 2008. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.5%.

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Directors' Declaration

In accordance with a resolution of the directors of CopperCo Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity:

  (i) give a true and fair view of the financial position as at 31 December 2007, and the performance for the half year ended on that date of the consolidated entity; and

  (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Brian Rear
Managing Director

Perth, 27 February 2008

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To the members of CopperCo Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CopperCo Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the Directors' Declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ("ASRE") 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory financial reporting requirements in Australia. As the auditor of CopperCo Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

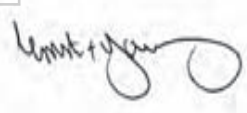
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

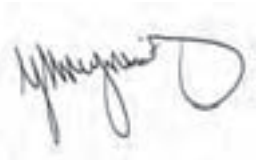
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of CopperCo Limited is not in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



G H Meyerowitz
Partner
Perth

27 February 2008

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Section F: Half Year Financial Report of Minsec for the six months ended 31 March 2008

Chairman's statement

Dear fellow shareholder,

Attached is Minsec's Interim Report for the six month period ended 31 March 2008. The major activity during that period was the negotiation of the terms of and the subsequent announcement of the proposed merger with CopperCo Limited ("CopperCo"). In the absence of a higher offer, your Board of Directors expect to unanimously recommend that holders of Minsec shares and CDIs accept CopperCo's offer of 2.2 CopperCo shares for each Minsec share or CDI when the formal Offer Document is posted.

Nothing in this Interim Report changes the rationale or the Directors' support for that transaction, which we believe offers the opportunity to create significant value for the shareholders of both companies.

The merged group will:

- be owned 55.6% by the existing shareholders of CopperCo and 44.4% by the existing shareholders of Minsec;
- retain the successful and complementary management teams of the two businesses;
- have a combined asset portfolio of a size which allows hands-on involvement but also benefits from diversification of:
    - commodity – platinum, gold, copper, zinc;
    - geography and political risk – Australia, Europe, Central Asia, Southern Africa and South America; and
    - stage of development – exploration, feasibility, mine development and production;
- take a hands-on approach, applying its technical and commercial skills to maximise the value of its core assets;
- continue the transition from a focus on making new early stage equity investments in resource companies and projects to being an owner and operator of mines;
- reduce indebtedness by realising cash from non-core assets.

For full details of the transaction, shareholders should refer to the Offer Document and Prospectus Equivalent, which will be issued shortly and will be available from the websites of Minsec (www.mineralsecurities.com), CopperCo (www.copperco.com.au) and ASX (www.asx.com.au).

At Lady Loretta, the development is dependent on several factors currently being investigated by the joint venture partners who are finalising the Feasibility Study inputs and reviewing development plan options. Should a development decision occur in 2008, detailed design, implementation and financing could occur in 2009 with first production forecast for 2011. However, one of the principal benefits of the Merger with CopperCo is that it would bring significant operational, infrastructure and cost synergies that have not been included in the studies to date and so, if the Merger proceeds, it is likely that no development decision will be reached in 2008.

At Sappes, the timing of the development is dependent on the permitting process with the relevant Greek authorities. We have formed the view that the successful development of the project will be aided by the presence of a local partner. Discussions with potential partners are ongoing and it is hoped to finalise these in 2008. Thereafter, the permitting process and preparation of a revised feasibility study would occur in 2009 with design, construction and commissioning in 2010/11 and with first ore production potentially occurring in 2011.

Buka Gold continues underground mining on the Gympie goldfield and is undertaking a concerted exploration effort at Mt Scotchy and in the Maryborough Basin in South–East Queensland.

In addition, at the Qixia project in China, we have completed our US$1.2 million earn-in and now own 75% of the project.

Each of our major investee companies made significant progress during the half year:

- Platmin commenced mining on its Pilanesberg project where it also recently announced a power supply agreement and appointed Standard Bank to arrange funding for that project. In addition, both MPhahlele and Grootboom had their mining licence applications accepted;
- CopperCo's Lady Annie Project is now operating at current nameplate capacity of 19,000 tpa of copper cathode and in April completed a two-stage placing of 56.4 million shares raising A$30.4 million to fund expansion of the plant to a capacity of 30,000 tpa, which is expected to be complete in early 2009;
- Tianshan has commenced drilling on its Gold Mountain Project for the 2008 field season and is working on a feasibility study for an open pit mining and heap leach gold operation, which is expected to be complete by the end of 2008.

The accounting loss before exceptional items of US$10,204,000 reported for the period, of which US$10,063,000 is attributable to group shareholders, principally reflects ongoing administrative expenses of US$4,751,000, costs of share based payments of US$3,113,000 and a net loss on derivative instruments of US$3,398,000. These are largely offset by the exceptional gain on our option liabilities of US$10,114,000 so that the loss for the period after exceptional items is U$552,000 of which US$411,000 is attributable to group shareholders.

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On the balance sheet, in addition to the direct interests in mining projects described above, we had cash reserves of US$11,701,000 (A$12,764,000; £5,865,000) at 31 March 2008, (of which Buka Gold and its subsidiaries account for US$2,436,000 (A$2,657,000; £1,221,000)), equivalent to 7.44 US cents per share (8.11 Australian cents; 3.73 pence). We also have financial assets available-for-sale (excluding our 58.2% interest in Buka Gold) of US$156,544,000 (A$170,760,000; £78,464,000) equivalent to 99.51 US cents per share (108.55 Australian cents; 49.88 pence). The presence of these relatively liquid assets means that the Directors are confident that the Company will be able to meet the A$45,000,000 (US$41,258,000) loan repayment now expected to be due on 31 December 2008. The Company has already disposed of its interests in Desire, Iluka and several smaller investments and over the next months will be actively disposing of other assets.

Finally, I should like to thank my fellow directors and our staff for their efforts over the past months, particularly on the proposed merger with CopperCo, and urge you to accept the offer when it is made.

Robert J Champion de Crespigny AC
Chairman



29 May 2008

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Independent Review Report to Mineral Securities Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2008 which comprises the Group Income Statement, Group Statement of Recognised Income and Expenses, Group Balance Sheet, Group Cash Flow Statement and the Reconciliation of Movements in Group Equity together with the related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34, 'Interim Financial Reporting.'

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting.'

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Going concern

In forming our conclusion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the renewal of the Company's debt facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our conclusion is not modified in this respect.

Ernst & Young LLP
London, 29 May 2008

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Group income statement (unaudited)

	6 months to 31 March 2008			6 months to 31 March 2007		
	Before exceptional items US$000	*Exceptional items (see note 3) US$000*	*Total US$000*	*Before exceptional items US$000*	*Exceptional items (see note 3) US$000*	*Total US$000*
Sales of gold	2,225	—	2,225	2,677	—	2,677
Other revenue	1,254	—	1,254	—	—	—
Revenue	3,479	—	3,479	2,677	—	2,677
Cost of sales	(2,147)	—	(2,147)	(3,789)	—	(3,789)
Gross profit (loss)	1,332	—	1,332	(1,112)	—	(1,112)
Direct project costs	(345)	—	(345)	(962)	—	(962)
Winding down mining operations at Gympie	—	—	—	—	(1,347)	(1,347)
Share of profits (losses) of associates (note 5)	(1,684)	—	(1,684)	—	—	—
Gains on holdings in associates (note 5)	2,763	—	2,763	—	—	—
Disposal of financial assets available-for-sale	768	—	768	1,161	—	1,161
Impairment of financial assets available-for-sale	(1,075)	—	(1,075)	—	—	—
Net loss on derivative financial instruments	(3,398)	—	(3,398)	—	—	—
Other operating income	414	—	414	827	—	827
Administrative expenses	(4,751)	(462)	(5,213)	(3,011)	—	(3,011)
Share based payments (note 6)	(3,113)	—	(3,113)	(466)	—	(466)
Operating loss	(9,089)	(462)	(9,551)	(3,563)	(1,347)	(4,910)
Finance revenue	639	10,114	10,753	1,692	—	1,692
Finance costs	(1,534)	—	(1,534)	(929)	—	(929)
Profit (loss) before taxation	(9,984)	9,652	(332)	(2,800)	(1,347)	(4,147)
Income tax	(220)	—	(220)	(591)	—	(591)
Profit (loss) for the period	(10,204)	9,652	(552)	(3,391)	(1,347)	(4,738)
Attributable to:						
Group shareholders	(10,063)	9,652	(411)	(2,713)	(787)	(3,500)
Minority interest	(141)	—	(141)	(678)	(560)	(1,238)
	(10,204)	9,652	(552)	(3,391)	(1,347)	(4,738)
Earnings (loss) per Minsec share (note 4)						
Basic and diluted	(6.67)c	6.40c	(0.27)c	(3.34)c	(0.97)c	(4.31)c
Earnings (loss) per Scarborough share						
Basic and diluted				(2.67)c	(0.78)c	(3.45)c

All income and expenses relate to continuing operations.

Group statement of recognised income and expense (unaudited)

	6 months to 31 March 2008 US$000	*6 months to 31 March 2007 US$000*
Income and expense recognised directly in equity		
Gains now realised and recognised in income statement	(768)	(1,044)
Net unrealised (loss) gain on financial assets available-for-sale	(41,966)	596
Impairment recognised in income statement	1,075	—
Deferred tax	1,092	142
Currency translation	6,715	5,403
Net income recognised directly in equity	(33,852)	5,097
Profit (loss) for the period	(552)	(4,738)
Total recognised income and expense for the period	(34,404)	359
Attributable to:		
Group shareholders	(34,369)	1,330
Minority interest	(35)	(971)
	(34,404)	359

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Group balance sheet (unaudited)

	Notes	*31 March 2008* US$000	*30 September 2007* US$000	*31 March 2007* US$000
Non-current assets				
Exploration, evaluation and development expenditure		33,870	32,833	35,235
Property, plant and equipment		2,437	1,870	572
Interests in associates	5	129,296	105,602	—
Financial assets available-for-sale		156,544	161,978	26,533
Deferred tax asset		—	794	—
		322,147	303,077	62,340
Current assets				
Inventories		137	261	413
Trade and other receivables		8,047	5,613	2,064
Derivative financial instruments		3,246	5,719	—
Cash and short term deposits	7	11,701	33,504	33,345
		23,131	45,097	35,822
Total assets		345,278	348,174	98,162
Current liabilities				
Trade and other payables		4,705	6,626	2,832
Financial liabilities	8	41,399	19,804	94
Tax		—	86	480
Provisions		370	311	692
		46,474	26,827	4,098
Non-current liabilities				
Financial liabilities	8	2,659	7,327	35
Deferred tax liability		9,724	9,788	—
Provisions		1,303	1,214	1,129
		13,686	18,329	1,164
Total liabilities		60,160	45,156	5,262
Net assets		285,118	303,018	92,900
Capital and reserves				
Net equity capital	9	268,327	254,041	114,833
Reserves	10	13,564	45,747	(24,837)
Group shareholders' equity		281,891	299,788	89,996
Minority interests		3,227	3,230	2,904
Total equity		285,118	303,018	92,900

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Group cashflow statement (unaudited)

	6 months to 31 March 2008 US$000	*6 months to 31 March 2007 US$000*
Operating activities		
Operating loss	(9,551)	(4,910)
Adjustments to reconcile operating profit to net cash flow from operating activities		
Amortisation of exploration, evaluation and development expenditure	179	103
Depreciation of property, plant and equipment	285	193
Winding down mining operations at Gympie	—	1,347
Share of (profits) losses of associates	1,684	—
Gains on holdings in associates	(2,763)	—
Profit on disposal of financial assets available-for-sale	(768)	(1,161)
Impairment of financial assets available-for-sale	1,075	—
Net loss on derivative financial instruments	3,398	—
Profit on disposal of property plant and equipment	—	(2)
Other share based (income) costs	(669)	—
Share based payments	3,113	466
Decrease in inventories	130	180
Decrease (increase) in trade and other receivables	93	(807)
Decrease in trade and other payables	(2,087)	(215)
Movement in provisions	49	(419)
Cash generated from operations and net cash flow from operating activities	(5,832)	(5,225)
Investing activities		
Interest received	620	922
Investment in associates	(4,523)	—
Investment in financial assets available-for-sale	(43,902)	(6,925)
Proceeds from sale of financial assets available-for-sale	1,384	443
Exploration, evaluation and development costs capitalised	(1,037)	(1,869)
Purchases of property, plant and equipment	(807)	(107)
Proceeds from sale of property, plant and equipment	—	30
Net cash flow from investing activities	(48,265)	(7,506)
Financing activities		
Interest paid	(2,047)	(40)
Options exercised	7,425	—
Proceeds from borrowings	27,070	—
Repayment of capital element of finance leases	(21)	(147)
Net cash flow from financing activities	32,427	(187)
Decrease in cash and cash equivalents	(21,670)	(12,918)
Currency translation on cash and cash equivalents	(133)	1,999
Cash and cash equivalents at the beginning of the period	33,504	44,264
Cash and cash equivalents at the balance sheet date	11,701	33,345

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Reconciliation of movements in Group equity (unaudited)

	Net equity capital *US$000*	*Reserves* *US$000*	*Group shareholders' equity* *US$000*	*Minority interests* *US$000*	*Total equity* *US$000*
30 September 2007	254,041	45,747	299,788	3,230	303,018
Minsec options exercised	11,258	—	11,258	—	11,258
Share based payments	2,982	—	2,982	32	3,014
Realised gains on financial assets available-for-sale	—	(768)	(768)	—	(768)
Net unrealised gain (loss) on financial assets available-for-sale	—	(41,966)	(41,966)	—	(41,966)
Impairment recognised in income statement	—	1,075	1,075	—	1,075
Deferred tax	—	1,092	1,092	—	1,092
Profit (loss) for the period	—	(411)	(411)	(141)	(552)
Share of associates	—	2,232	2,232	—	2,232
Currency translation	46	6,563	6,609	106	6,715
31 March 2008	268,327	13,564	281,891	3,227	285,118

	Net equity capital *US$000*	*Reserves* *US$000*	*Group shareholders' equity* *US$000*	*Minority interests* *US$000*	*Total equity* *US$000*
30 September 2006	109,198	(20,919)	88,279	3,829	92,108
Share based payments 387	—	387	46	433	
Realised gains on financial assets available-for-sale	—	(1,044)	(1,044)	—	(1,044)
Net unrealised gain on financial assets available-for-sale	—	596	596	—	596
Deferred tax	—	142	142	—	142
Loss for the period	—	(3,500)	(3,500)	(1,238)	(4,738)
Currency translation	5,248	(112)	5,136	267	5,403
31 March 2007	114,833	(24,837)	89,996	2,904	92,900

Net equity capital (see note 9)

Net equity capital includes the total net proceeds from issues of equity capital by Buka prior to 19 April 2006, by Scarborough between 19 April 2006 and 20 July 2007 and thereafter by Minsec and comprises ordinary shares in Minsec (excluding treasury shares) and amounts taken to equity under IFRS 2.

Reserves (see note 10)

The Group maintains separate reserves for retained earnings/accumulated losses, net unrealised gains on assets available-for-sale, gains and losses recognised upon changes in consolidation treatment ("consolidation reserves"), its share of other reserves of associates and foreign currency differences.

Minority interests

Represents the 41.77% of Buka Gold not owned by Group shareholders.

Dividends

No dividends have been or are proposed to be declared in respect of either period.

Notes

1. Basis of preparation and accounting policies

Mineral Securities Limited is a limited company incorporated and domiciled in the British Virgin Islands. The Company's ordinary shares are listed on the Australian Securities Exchange (in the form of Chess Depositary Interests) and are also traded on the AIM market of the London Stock Exchange.

The interim condensed financial statements of the Group for the six months ended 31 March 2008 were authorised for issue in accordance with a resolution of the directors on 29 May 2008 and have been prepared in accordance with IAS 34 'Interim Financial Reporting.'

The interim condensed financial statements have been prepared on a going concern basis. Mineral Securities is a mining investment company which currently sources its working capital from a mix of asset sales, equity raisings and bank debt. The principal debt is an A$45.0 million (US$41.3 million) facility with Macquarie Bank Limited, which was due to expire on 30 April 2008 and has been rolled over until 4 June 2008 while negotiations to extend the facility to 31 December 2008 continue. The Company and Macquarie have agreed terms, including the new expiry date, but are still finalising documentation at the date of this report.

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Assuming that these negotiations are successfully concluded and based on cash flow forecasts the Company will require the sale of assets, a new equity raising, a further extension of the loan facility or new facilities, or a combination of these to meet operating commitments and repayment of the Macquarie bank debt.

The Company has made it known publicly that it is pursuing a programme of asset sales but there can be no certainty as to when sales might be concluded or how much they might realise. Management have prepared projected cash flow information to June 2009 and whilst this clearly indicates the need for additional funding to meet the anticipated 31 December 2008 repayment, there is no reason to believe that the Company will not be able to further renegotiate the facility or that new flows of funds will not be available at that point to meet future commitments. Further, considering the size (US$41.3 million) of the outstanding loan facility and modest working capital requirements compared to financial assets available-for-sale of US$156.5 million, the directors consider it appropriate to prepare the financial statements on the going concern basis. If the existing facility is not further renegotiated and alternative proceeds are not available such that the going concern basis were not appropriate, then adjustments might be required to the recoverability and classification of asset amounts or the amounts and classification of liabilities.

As announced to the market, the Company is in the process of completing a merger with CopperCo Limited, the owner of the producing Lady Annie copper mine. CopperCo has a loan facility with the same bank and it is expected that a successful merger would provide an opportunity to renegotiate both facilities to meet the long term needs of the new combined group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the period ended 30 September 2007, hard copies of which are available from Minsec's registered office, while soft copies are available on Minsec's website (www.mineralsecurities.com) and also the ASX website (www.asx.com.au).

As with the full financial statements, due to the treatment of the Minsec-Scarborough Merger as a reverse acquisition the 31 March 2007 comparatives relate to the results of Scarborough Minerals plc and its subsidiaries only.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the period ended 30 September 2007, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2007:

- IFRS 7 'Financial Instruments: Disclosures' and consequential amendments to IAS 1 'Presentation of Financial Statements.'

The adoption of these amendments did not affect the Group's reported results or financial position.

2. Segment information

Primary segmentation – Business line

No primary segmental analysis has been presented since the Group operates within a single business line: resource evaluation and exploitation.

Secondary segmentation – Geographical

	Australia US$000	*Rest of world US$000*	*Total US$000*
31 March 2008			
Revenue	2,810	669	3,479
Total assets	121,150	224,128	345,278
Capital expenditure			
Exploration, evaluation and development expenditure	1,037	—	1,037
Property, plant and equipment	53	754	807
31 March 2007			
Revenue	2,677	—	2,677
Total assets	56,402	41,760	98,162
Capital expenditure			
Exploration, evaluation and development expenditure	1,277	592	1,869
Property, plant and equipment	22	85	107

3. Exceptional items

a. ***Winding down mining operations at Gympie***

On 6 March 2007, Buka Gold announced a further impairment of its assets as follows.

	31 March 2007 US$000
Redundancy costs	329
Impairments of assets	
Exploration, evaluation and development expenditure	827
Property, plant and equipment	191
	1,347

b. ***CopperCo merger costs***

Administrative expenses include US$462,000 in respect of the proposed merger with CopperCo.

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c. ***Gain on option liabilities***

These options are classed as liabilities rather than equity because they have exercisable prices denominated in Australian dollars and Pounds sterling rather than the Company's functional currency of US dollars. As a result they are revalued at each period end or when exercised and any gain or loss is recognised in the income statement. The fair value of the options at the balance sheet dates and movements were:

	Exercisable at	*On or before*	*30 September 2007 US$000*	*Issued US$000*	*Exercised US$000*	*Gain US$000*	*31 March 2008 US$000*
Class A	A$1.15	1 January 2008	6,487	—	(1,459)	(5,028)	—
Class B	A$1.25	31 January 2009	836	—	—	(705)	131
Class D	£0.63	30 September 2012	6,329	—	—	(3,870)	2,459
Class E	£0.9075	19 April 2011	141	—	—	(100)	41
Class F	A$2.30	31 January 2010	—	553	—	(411)	142
			13,793	553	(1,459)	(10,114)	2,773

4. Earnings (loss) per share

	31 March 2008	*31 March 2007*	
	Minsec US$000	*Minsec US$000*	*Scarborough US$000*
Net profit (loss) attributable to Group shareholders	(411)	(3,500)	(3,500)
	Thousands	*Thousands*	*Thousands*
Basic weighted average number of shares	150,820	81,199	101,499
Dilutive potential ordinary shares			
Share options	2,384	6,346	7,932
Long term incentive shares	1,536	1,280	1,600
Convertible preference shares	—	2,881	3,601
Diluted weighted average number of shares	154,740	91,706	114,632

5. Interests in associates

					31 March 2008	
	CopperCo US$000	*Tianshan US$000*	*Minsands US$000*	*Herencia US$000*	*NiPlats US$000*	*Total US$000*
Share of profits (losses) of associates	(332)	(73)	(102)	(1,123)	(54)	(1,684)
Gains on holdings in associates	2,678	85	—	—	—	2,763
Interests in associates	78,750	31,798	7,154	9,078	2,516	129,296
Percentage holding	19.12%	27.64%	34.47%	46.00%	44.12%	

Following a review of the fair values at acquisition the US$64,101,000 formerly treated as goodwill in respect of CopperCo has been reallocated to the mineral resources and exploration tenements of CopperCo's Lady Annie project, and is therefore being amortised over the current life of mine of eight years, resulting in a charge to the income statement of US$4,006,000, which is included in the share of profits (losses) shown above.

Gains on holdings in associates represent changes in the Group's absolute and relative interests in associates.

There were no associates in the six months to 31 March 2007.

6. Share based payments

	31 March 2008 US$000	*31 March 2007 US$000*
LTIP	1,463	420
NEDSOS	70	—
MESOS	1,548	—
Awards to employees of subsidiaries	32	46
	3,113	466

Details of share based incentive schemes are given in the annual financial statements. There have been no additional share based payment awards since those disclosed in the annual financial statements.

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7. Cash and short term deposits

	31 March 2008 US$000	*30 September 2007 US$000*	*31 March 2007 US$000*
Cash held by listed subsidiary (Buka Gold)			
Cash at bank and in hand	824	590	244
Short term deposits	1,612	2,132	2,175
Total cash held by listed subsidiary	2,436	2,722	2,419
Cash held by other group companies			
Cash at bank and in hand	6,551	4,707	30,926
Short term deposits	2,714	26,075	—
Total cash held by other group companies	9,265	30,782	30,926
Total cash and cash equivalents	11,701	33,504	33,345

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. The fair value of cash and cash equivalents is US$11,701,000 (31 March 2007: US$33,345,000).

8. Financial liabilities

	Current US$000	*Non-current US$000*	*31 March 2008 Total US$000*
Finance leases and hire purchase contracts	10	17	27
Option liabilities	131	2,642	2,773
Bank loans	41,258	—	41,258
	41,399	2,659	44,058

	Current US$000	*Non-current US$000*	*30 September 2007 Total US$000*
Finance leases and hire purchase contracts	25	21	46
Option liabilities	6,487	7,306	13,793
Bank loans	13,292	—	13,292
	19,804	7,327	27,131

	Current US$000	*Non-current US$000*	*31 March 2007 Total US$000*
Finance leases and hire purchase contracts	94	35	129

The Group's principal facility at the balance sheet date was an A$45,000,000 (US$41,258,000) fully drawn facility from Macquarie Bank Limited which was due to expire on 30 April 2008. In consideration of this facility Minsec granted Macquarie 2,500,000 unlisted Class F options exercisable at A$2.30 per option on or before 31 January 2010. These option liabilities were valued at US$553,000 at inception which was accounted for as a finance cost over the initial life of the facility to 31 January 2008. The facility is secured by a mortgage over the Group's investments in Platmin, CopperCo and Tianshan together with a fixed and floating charge over the assets of Mineral Securities Operations Limited, Mineral Securities Holdings Pty Limited and Platmin Holdings Pty Limited. Interest is charged on the facility at the Australian interbank bill rate plus a margin of 3%. During May 2008 this facility was extended as described in note 11.

9. Net equity capital

	Ordinary shares US$000	*Treasury shares US$000*	*Net ordinary share capital US$000*	*Employee share based payments US$000*	*Net equity capital US$000*
30 September 2007	272,231	(27,663)	244,568	9,473	254,041
Minsec options exercised	11,258	—	11,258	—	11,258
Share based payments	—	—	—	2,982	2,982
Currency translation	—	—	—	46	46
31 March 2008	283,489	(27,663)	255,826	12,501	268,327
30 September 2006	106,861	(3,896)	102,965	6,233	109,198
Share based payments	—	—	—	387	387
Currency translation	5,146	(188)	4,958	290	5,248
31 March 2007	112,007	(4,084)	107,923	6,910	114,833

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Ordinary share capital

The balance classified as share capital includes the total net proceeds (i.e. both nominal value and share premium) from issues of equity capital by Buka Minerals Limited prior to 19 April 2006, by Scarborough Minerals plc between 19 April 2006 and 20 July 2007 and thereafter by Mineral Securities Limited and comprises ordinary shares in Minsec.

Treasury shares

The balance comprises shares in the Company owned by subsidiaries.

10. Reserves

	Retained earnings (accumulated losses) US$000	*Net unrealised gains (losses) US$000*	*Consolidation reserves US$000*	*Share of associates' other reserves US$000*	*Currency translation US$000*	*Total US$000*
30 September 2007	59,269	(10,307)	(1,209)	(1,757)	(249)	45,747
Realised gains on financial assets available-for-sale	—	(768)	—	—	—	(768)
Net unrealised gain (loss) on financial assets available-for-sale	—	(41,966)	—	—	—	(41,966)
Impairment recognised in income statement	—	1,075	—	—	—	1,075
Deferred tax	—	961	—	131	—	1,092
Profit (loss) for the period	(411)	—	—	—	—	(411)
Tianshan preference share conversion	—	1,458	(1,458)	—	—	—
Share of associates	—	—	—	2,232	—	2,232
Currency translation	—	(1,560)	233	(22)	7,912	6,563
31 March 2008	58,858	(51,107)	(2,434)	584	7,663	13,564

	Retained earnings (accumulated losses) US$000	*Net unrealised gains (losses) US$000*	*Consolidation reserves US$000*	*Share of associates' other reserves US$000*	*Currency translation US$000*	*Total US$000*
30 September 2006	(18,938)	1,061	—	—	(3,042)	(20,919)
Realised gains on financial assets available-for-sale	—	(1,044)	—	—	—	(1,044)
Net unrealised gain on financial assets available-for-sale	—	596	—	—	—	596
Deferred tax	—	142	—	—	—	142
Loss for the period	(3,500)	—	—	—	—	(3,500)
Currency translation	—	85	—	—	(197)	(112)
31 March 2007	(22,438)	840	—	—	(3,239)	(24,837)

Retained earnings (accumulated losses)

Represents the net historic losses made by Buka Group up to 19 April 2006, the net losses of Scarborough Group from that date until 20 July 2007 and thereafter the net profits and losses of Minsec Group.

Net unrealised gains (losses)

This reserve holds the cumulative fair value changes on the Group's financial assets available-for-sale net of deferred tax liabilities arising thereon.

Consolidation reserves

This reserve represents the crystallised unrealised gains arising on the transfer of investments from financial assets available-for-sale to associates, together with the deemed distribution made when the Minsec Class D options were issued to the holders of Scarborough Class B options.

Share of associates' other reserves

The Group's associates maintain certain other reserves including especially a derivatives reserve in respect of the hedging by CopperCo of which the Group is required to recognise its share.

Currency translation

This reserve is used to record exchange differences arising from the translation of the financial statements into the Group's functional and presentation currency, US Dollars.

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11. Post balance sheet events

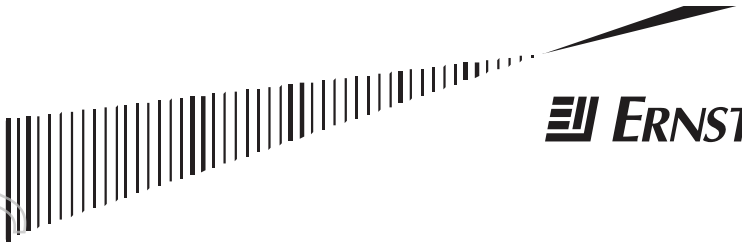
(a) ***Extended Macquarie loan facility***

As set out in note 8 Macquarie Bank Limited has currently extended the repayment date for the Company's A$45 million loan facility to 4 June 2008. The bank has indicated its willingness to further extend the repayment date to 31 December 2008 on condition that Mineral Securities Limited and subsidiaries guarantee the repayment and that specific security over the Lady Loretta joint venture interest is granted in addition to the existing security. Documentation formalising the extension is expected to be signed within the week following the date of this interim report.

(b) ***Acquisition of Qixia***

On 6 May 2008, a wholly owned subsidiary of Minsec, Mineral Securities Golden Sea Limited ("MSGS") completed the first stage of its investment in Shandong Yantai Golden Sea Mining Company Ltd ("SYGMC"). SYGMC is a Chinese incorporated joint venture company that holds the exploration tenements that form the Qixia Golden Sea project. The completion of this first stage of funding of US$1,200,000 results in MSGS holding a 75% interest in SYGMC, which will be treated as a subsidiary in subsequent accounts.

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30 June 2008

The Directors
CopperCo Limited
Level 22, Allendale Square
77 St Georges Terrace
Perth
Western Australia 6000

Dear Sirs

We report on the pro forma Statement of Net Assets (the "Pro Forma Financial Information") set out in Section G of Part II of the Prospectus dated 30 June 2008, which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the Acquisition might have affected the financial information presented on the basis of the accounting policies adopted by the CopperCo Limited in preparing the financial statements for the period ended 31 December 2007. This report is required by item 20.2 of Annex I of the Prospectus Rules and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the Prospectus Rules, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of CopperCo Limited to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the Prospectus Rules.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Prospectus Rules, as to the proper compilation of the Pro Forma Financial Information, and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of CopperCo Limited.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of CopperCo Limited.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of CopperCo Limited.

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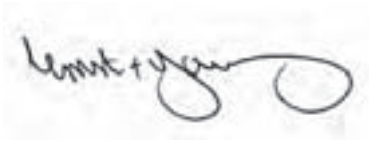
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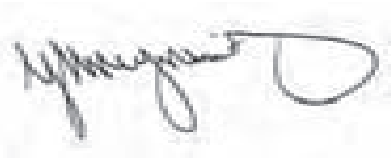
Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the Prospectus Rules.

Yours faithfully



Ernst & Young



G H Meyerowitz
Partner
Perth

1. Unaudited pro forma financial information

The pro forma financial information set out below has been provided for illustrative purposes only to demonstrate the effect of the Acquisition as if it had been completed at 31 December 2007. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. The Pro Forma Financial Information should be read in conjunction with the accompanying assumptions and notes.

Pro forma statement of Net Assets

	CopperCo as at 31/12/2007 US$000	*Adjustment 1 Minsec as at 31/3/2008 US$000*	*Adjustment 2 Effect of Acquisition (see 4 below) US$000*	*Pro forma CopperCo US$000*
Non-current assets				
Exploration, evaluation & development expenditure	51,468	33,870	—	85,338
Property, plant and equipment	74,329	2,437	—	76,766
Interests in associates	—	129,296	(78,750)	50,546
Financial assets available-for-sale	4,915	156,544	—	161,459
Receivables	5,605	—	—	5,605
Deferred tax asset	26,343	—	—	26,343
	162,660	322,147	(78,750)	406,057
Current assets				
Inventories	9,537	137	—	9,674
Trade and other receivables	6,724	8,047	(3,417)	11,354
Derivative financial instruments	—	3,246	(161)	3,085
Cash and short term deposits	4,884	11,701	(5,900)	10,685
	21,145	23,131	(9,478)	34,798
Total assets	183,805	345,278	(88,228)	440,855
Current liabilities				
Trade and other payables	13,465	4,705	—	18,170
Financial liabilities	3,203	41,268	(3,203)	41,268
Option liabilities	—	131	(131)	—
Provisions	613	370	—	983
	17,281	46,474	(3,334)	60,421
Non-current liabilities				
Financial liabilities	86,452	17	—	86,469
Option liabilities	—	2,642	(2,642)	—
Other derivative financial instruments	21,694	—	—	21,694
Deferred tax liability	—	9,724	—	9,724
Provisions	5,141	1,303	—	6,444
	113,287	13,686	(2,642)	124,331
Total liabilities	130,568	60,160	(5,976)	184,752
Net assets	53,237	285,118	(82,252)	256,103

2. Basis of preparation

The unaudited pro forma statement of Net Assets of CopperCo presents the transaction whereby it acquired Minsec on the basis of offering 2.2 CopperCo shares for each Minsec Share and has been prepared using:

- United States dollars as the presentation currency;
- the unaudited interim financial statements of CopperCo for the six month period ended 31 December 2007, which can be found in Part II Section E of this document and were presented in accordance with Australian accounting standards, which include Australian equivalents to IFRSs, and also complied with IFRSs and were presented in Australian dollars. The accounting policies adopted by CopperCo are set out in the financial information on CopperCo in Part II Section B of this document. The balance sheet of CopperCo as at 31 December 2007 has been translated into United States dollars at an A$:US$ exchange rate of 0.8767 being the closing A$:US$ exchange rate at 31 December 2007; and
- the unaudited financial statements of Minsec for the period ended 31 March 2008, which can be found in Part II Section F and were presented in accordance with IFRSs and presented in United States dollars. The accounting policies adopted by Minsec are set out in the financial information on Minsec in Part II Section D of this document.

The pro forma financial information has been prepared on a going concern basis. Minsec is a mining investment company which currently sources its working capital from a mix of asset sales, equity raisings and bank debt. The principal debt is an A$45.0 million (US$41.3 million) facility with Macquarie Bank, which is now due to expire on 31 December 2008.

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Based on cash flow forecasts, Minsec and the Enlarged CopperCo Group will require the sale of assets, a new equity raising, a further extension of the loan facility or new facilities, or a combination of these to meet operating commitments and the repayment of the Macquarie Bank debt.

Minsec has made it known publicly that it is pursuing a programme of asset sales, which the Enlarged CopperCo Group intends to continue, but there can be no certainty as to when sales might be concluded or how much they might realise. The projected cash flow information to June 2009 prepared for the purposes of the working capital statement in paragraph 20 of Part V of the is document, clearly indicates the need for additional funding to meet the anticipated 31 December 2008 repayment, but the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available at that point to meet future commitments. Further, considering the size of the outstanding loan facility and modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, the CopperCo Directors consider it appropriate to prepare the pro forma financial information on the going concern basis. If the existing facility is not further renegotiated and alternative proceeds are not available such that the going concern basis were not appropriate, then adjustments might be required to the recoverability and classification of asset amounts or the amounts and classification of liabilities.

No adjustments were required to align the accounting policies of CopperCo and Minsec.

Pro forma adjustments have been made to reflect the direct financial effects of the Acquisition which has been accounted for as an acquisition of Minsec by CopperCo.

3. Amounts not reflected in the Pro forma

The pro forma adjustments do not recognise the various transactions or changes in the value of investments since the balance sheet dates. More specifically the post-balance sheet events described in note 30 in Section B of Part II and note 53 in Section D of Part II have not been included.

4. Pro forma adjustments relating to the Acquisition

The pro forma adjustments resulting from the proposed Acquisition are:

(a) At 31 March 2008 Minsec held 91,672,257 shares in CopperCo, which have been accounted for by Minsec as an interest in an associate. An adjustment of US$78,750,000 represents the derecognition of this interest which will be treated as Treasury Shares by CopperCo.

(b) The elimination on consolidation of US$3,417,000 of Minsec's trade and other receivables and US$161,000 of Minsec's derivative financial instruments and of US$3,203,000 of CopperCo's current financial liabilities which relate to a receivable due from CopperCo to Minsec with an associated option to receive CopperCo Shares.

(c) The derecognition of US$2,773,000 of Minsec's option liabilities (US$131,000 current and US$2,642,000 non-current). This relates to the release and cancellation of the Minsec Share Options, details of which are set out in paragraph 7.2 of Part I.

(d) Further transaction costs related to the Acquisition are estimated to be US$5,900,000.

5. Effects on earnings

The effect on the earnings of CopperCo as a result of the Acquisition would be to have incorporated Minsec's results, adjusted for the elimination of inter-company items, and adjustments to depreciation and amortisation that may arise as a result of fair value adjustments to tangible and intangible fixed assets and associated taxation adjustments. Additionally negative goodwill would have been recognised by the CopperCo Group in the consolidated income statement. The amount of negative goodwill that will actually be recognised will depend on the CopperCo share price at completion and the fair values attributed to Minsec's assets and liabilities at the same date, and is expected to result in a substantial one-off increase in CopperCo's earnings in the period that the Acquisition completes.

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PART III

OPERATING AND FINANCIAL REVIEW

The following summary of the assets and financial characteristics of the Enlarged CopperCo Group is based on, and should be read in conjunction with, the financial information set out in Part II of this document. This review contains forward-looking statements that reflect the current view of the CopperCo Directors and involve risks and uncertainties. The actual results of the CopperCo Group and, following the Acquisition, the Enlarged CopperCo Group, could differ materially from those anticipated in these forward-looking statements as a result of certain factors discussed below and elsewhere in this document, particularly in the risk factors on page 8.

Minsec Shareholders should read the whole of this document and not just rely on the key or summarised information below.

1. Overview

Since 2004, CopperCo's principal activity has been the identification, development and now exploitation of mineraliferous tenements in Queensland.

Following the Acquisition, the Enlarged CopperCo Group will in addition own a mid-stage project at Sappes in Greece, a 25% interest in the Lady Loretta Project (adjacent to the Lady Annie Project) in Queensland, early stage projects in China and Australia, as well as investments in several mineral companies, principally Platmin, Tianshan, Buka Gold, Mineral Sands, NiPlats and Herencia giving it interests in Australia, Chile, China, Greece, Kazakhstan, Kyrgyzstan, Mozambique, South Africa and Zambia.

The Enlarged CopperCo Group will have a diverse and complementary range of project and investment interests which reflects the expertise of the Enlarged CopperCo Group's management in the areas of base metals (copper, zinc and lead) and precious metals (gold and platinum group metals). The approximate commodity split based on equity value of the Enlarged CopperCo Group is shown in Figure 1 below.[1]

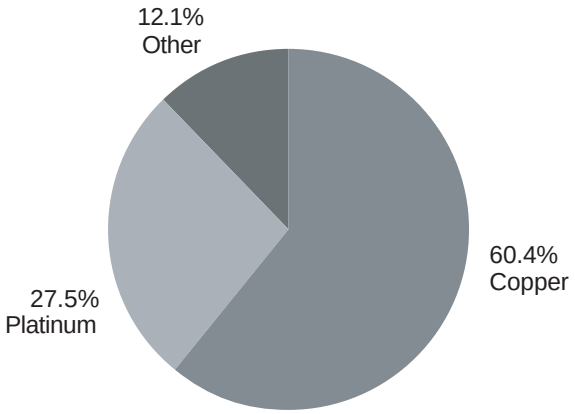


Figure 1: Commodity split of Enlarged CopperCo Group

On a commodities basis, copper will, at 60.4%, remain the largest part of the Enlarged CopperCo Group's portfolio. Through its 17.52% interest in Platmin, platinum group metals will represent 27.5% of the Enlarged CopperCo Group's portfolio. The Enlarged CopperCo Group will also hold in excess of 56% of its assets directly, principally, Lady Annie, Lady Loretta and Sappes.

2. Objectives and strategy

The Enlarged CopperCo Group will hold direct interests in resource projects and indirect interests via investments in separately listed resource companies. These interests will include:

(a) the Lady Annie Project, a 100% owned copper cathode producer located approximately 120 km north of Mount Isa in north-west Queensland;

(b) Sappes, a 100% owned gold project in Greece that is awaiting permitting for construction and development; and

(c) the Lady Loretta Project, located adjacent to the Lady Annie Project, a direct 25% interest in a joint venture with a subsidiary of Xstrata which is currently assessing options for zinc mine development.

In the opinion of the CopperCo Directors, the combination of CopperCo and Minsec will create a company with a rare exposure to copper, platinum and other precious metals, a substantial revenue base and a strong portfolio of direct asset ownership and liquid listed assets. The Enlarged CopperCo Group will have an estimated net asset value of A$362 million.

[1] Approximation only. Does not include the value of unlisted assets such as 25% of Lady Loretta. Copper value based on equity value of CopperCo and stake held in Zambezi as at 20 June 2008. Platinum value taken as approximately 17.52% of the equity value of Platmin as at 20 June 2008. "Other" reflects gold, lead, zinc and other investments in listed companies as at 20 June 2008, including unlisted options in listed companies valued at the difference between the strike price and the trading price of the underlying shares.

It is the Enlarged CopperCo Group's intention to increase its ownership of, and manage cash flow producing assets in, the core commodity groups of copper and other base metals, platinum and precious metals. In the opinion of the CopperCo Directors, in the near term, the different cyclical commodity pricing outlook between base metals and precious metals and, in particular, platinum will serve to protect the Enlarged CopperCo Group's future revenue as particular commodities experience volatility in prices through the business cycle.

Subject to debt covenants, internally generated cash flow will provide funding for the Enlarged CopperCo Group to apply to its exploration and development assets. In this way, the Enlarged CopperCo Group may achieve control of these assets for the benefit of its shareholders. To give effect to the focus on core assets, Minsec is currently engaged in the identification and sale of non-core assets for cash that the Enlarged CopperCo Group could apply to retain and, where appropriate, increase its interests in the core commodity groups. As appropriate, the Enlarged CopperCo Group will also look to use gearing of its balance sheet as a source of funding.

The CopperCo Directors believe that the Enlarged CopperCo Group will have competitive advantages in the key areas of resource project evaluation and stewardship of projects through the development stage. The Enlarged CopperCo Group will seek investments where these competitive advantages can be profitably applied, during the permitting and financing stages.

In the opinion of the CopperCo Directors, Minsec's equity investment in Platmin is an example of how the Enlarged CopperCo Group will benefit from Minsec's ability to identify promising opportunities at an early stage and, through participation at the acquisition, feasibility and development stages, add value to the investment. Platmin's first mine operation is in development with production scheduled for March 2009.

The CopperCo Directors believe that there is a clear role for the Enlarged CopperCo Group in applying the corporate, technical, operating and financial skills of its board and management, to drive the development of emerging resource assets and businesses. The Enlarged CopperCo Group's headquarters will be based in Perth, a useful point of access to the Australian, African and Asian project locations. The Enlarged CopperCo Group will also have a representative office in Beijing (established by Minsec Australia in 2004) and London which provides the opportunity to review large numbers of projects in this fundamentally important mining and mineral-consuming market. This presence has already led to Minsec's involvement in Gold Mountain (Tianshan) and Qixia, which will give the Enlarged CopperCo Group exposure to two exciting exploration projects.

The Enlarged CopperCo Group combines two approaches to investment opportunities: a predominantly strategic or corporate perspective; and the bottom-up resource based perspective of its technical team. Added to this is a demonstrably successful project development and operations team that will bring clear benefits to existing and new projects.

The Enlarged CopperCo Group, and the companies it will invest in, will operate in a rapidly changing environment and with changing investor desires. While the Enlarged CopperCo Group will not change the way it intends to run its business to suit market fashion, it is clear that today's investor has a strong preference for larger businesses with critical mass. The successful resource businesses of the future will be those that are able to utilise the cash returns which flow from today's buoyant commodity market conditions, supplemented by new capital which may be made available to them, to develop new projects.

This need for scale is important for a business like the Enlarged CopperCo Group which combines investments with an operating mining business. Continuing growth in operations will be required for the Enlarged CopperCo Group to support meaningful stakes in the companies in which it invests. As a larger business, the Enlarged CopperCo Group will be better positioned to attract investors and to attract high quality people.

The major challenge for the Enlarged CopperCo Group will be to secure adequate and appropriate forms of funding to allow continued development of its existing asset portfolio while enabling it to acquire additional assets where it can do so on value-accretive terms. The Enlarged CopperCo Group intends to adopt a flexible approach in this regard and recognises that the most appropriate form of funding will, in some cases, be the sale of existing assets and that debt funding should only be used where it has the means to service and repay it.

3. Lady Annie

3.1 *The Lady Annie Project*

The Lady Annie Project is more fully described in the Technical Report in Part VI of this document. The Lady Annie Project processing plant is located approximately 120 km north north-west of Mount Isa in Queensland. The mine employs heap leach SX-EW technology. Lady Annie is currently producing at an annualised rate of 19,000 tpa of copper cathode and CopperCo is aiming to increase capacity above the 25,000 tpa level in late December 2008. CopperCo has also decided to install an additional 5,000 tpa capacity during the current construction program lifting the annual copper cathode production capacity to 30,000 tpa. The eventual increase to 30,000 tpa from the 25,000 tpa is subject to the finalisation of current studies into mine planning options and receipt of final regulatory approvals.

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The stage 1 construction began at Lady Annie in November 2006 and mining commenced with the pre-stripping of the Mount Clarke open pit in April 2007. The first ore was delivered to the Run of Mine stockpile on 15 June 2007 and the SX-EW plant was commissioned in August 2007 with the first cathode produced on 27 September 2007. The initial shipment of copper cathode occurred in early October 2007.

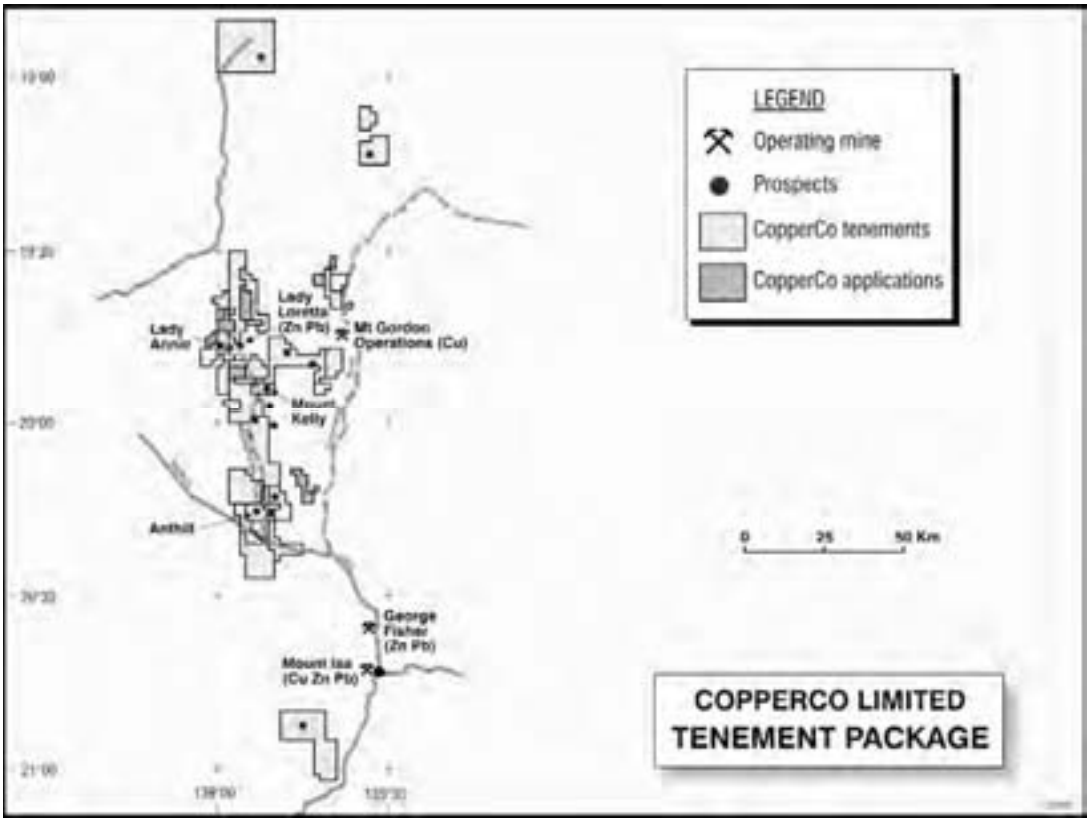


Figure 2: CopperCo tenement package

As at 31 December 2007, Lady Annie had generated sales revenue of A$43.45 million from 6,183 tonnes of LME "A" grade copper cathode sold at an average operating cost of US$1.01 per pound produced. The table below sets out the relevant Lady Annie production statistics.

Lady Annie Copper Mine	*Units*	*Six months to Dec 2007*	*Mar Quarter 2008*	*Year to date 2007-2008*
Ore mined	t	1,021,908	564,173	1,586,081
Grade	%	0.92	1.11	0.99
Ore stacked	t	769,708	645,169	1,414,877
Grade	%	0.86	1.08	0.96
Copper Production (stripped)	t	2,984	3,618	6,602
Copper sales	t	2,928	3,255	6,183
Cash costs (operating)	US$/lb	1.11	0.83	1.01
Sales Revenue	A$	23,351,981	20,098,019	43,450,000

Generally the commissioning of all facilities proceeded without any material production issues emerging. Mining operations are well established with ore extraction confined to the Mount Clarke deposit. Process facilities have generally been free of design flaws and have demonstrated process capacity at design levels or better. Process equipment issues were progressively eliminated during the last quarter of 2007 and were confined to equipment reliability issues and minor design items.

On 11 March 2008, CopperCo announced the completion of a feasibility study to expand production to 30,000 tpa with ramp up commencing in the second half of 2008. The study indicated that the increase in production from 19,000 tpa to 30,000 tpa would add approximately A$188 million in after tax net present value (8% discount factor) to the Lady Annie Project's value. The marginal cash operating cost of producing the additional 11,000 tonnes annually is estimated at US$0.64/lb.

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3.2 ***Lady Annie deposit***

The Lady Annie oxide copper deposit is located 137 km northwest of Mount Isa (Figure 3). This area is currently the subject of a mining lease application with grant expected in the first half of calendar 2008. In addition to these deposits, CopperCo has acquired numerous exploration permits in the region of the Lady Annie Project. These are currently the subject of greenfields evaluation with the view to producing drill targets to be drilled in 2009.



Figure 3: Lady Annie oxide copper resource

The Lady Annie oxide copper deposit comprises mostly malachite mineralisation, with minor cuprite, chrysocolla and chalcocite extending from surface to a depth ranging between 60 and 100 metres. The deposit has an average thickness of 20 to 25 metres within an arc-shaped and continuously mineralised zone hosted by strongly oxidised and weathered dolomitic siltstones and sandstones.

Lady Annie sulphide copper resource

The sulphide copper mineralisation at Lady Annie occurs below the Base of Complete Oxidation ("BOCO"), which is marked by a pronounced increase in carbonate content. The BOCO varies in depth from 60 to 100 metres below surface and forms an undulating surface with distinct inflections related to steeply dipping faults that cross cut the area (Figure 4). The primary sulphide mineralisation consists of one or more of chalcocite, chalcopyrite, bornite and pyrite occurring in carbonate and quartz veins and vein breccias. The sulphide mineralisation at depth appears to be structurally controlled with significant drill intersections commonly associated with fault zone related silicification.

A broad sub-horizontal to shallow west dipping zone of copper sulphide mineralisation has now been defined with a strike extent in the order of 400 metres and thicknesses of up to 50 metres. The mineralised zone extends westwards beneath the planned oxide pit (Figure 4). Copper acid solubility test work is underway and more comprehensive metallurgical test work will follow. Previously reported preliminary metallurgical test work on chalcocite ores has indicated favourable leach characteristics after flotation.

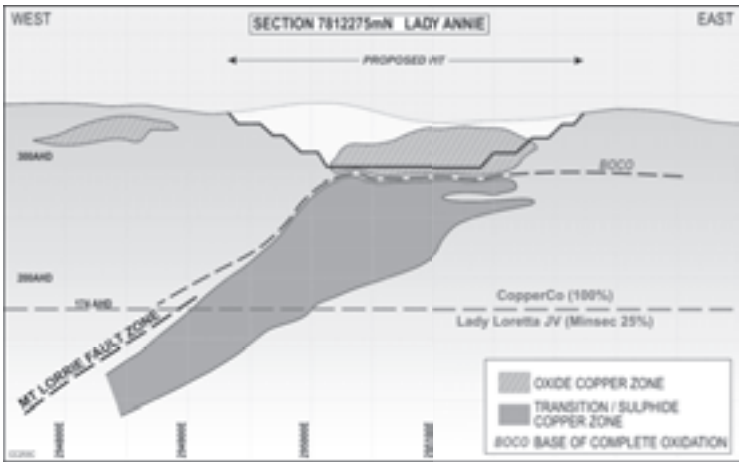


Figure 4: Lady Annie cross section

3.3 ***Mount Kelly area***

Mount Kelly comprises a series of semi-contiguous ore bodies located 20 km south east of the Lady Annie deposit and forms part of the Lady Annie Project. Like the Lady Annie deposit, the Mount Kelly area has a long history of exploration and only limited exploitation. The main Mineral Resources identified in the area to date comprise:

- the Mount Clarke oxide deposit;
- the Flying Horse deposits;
- the Mount Kelly Workings deposit; and
- the Swagman deposit.

Mount Clarke oxide deposit

The Mount Clarke oxide deposit is a sub-horizontal blanket, comprising dominantly malachite mineralisation of up to 35 metres in thickness, extending from surface to a depth of around 80 metres.

The Mount Clarke oxide deposit is hosted within a north westerly trending fault zone approximately 100 to 150 metres wide striking for over 700 metres. This fault is a first order splay off the regional northwest trending Mount Kelly fault. The Mount Clarke fault zone is characterised by close spaced subvertical shears within weakly laminated dolomitic siltstones. The subvertical shears provide strong structural control to the secondary oxide copper "blanket" developed above localised supergene chalcocite concentrations (Figure 5). Deeper drilling is currently underway to assess the sulphide potential below the transitional zone.

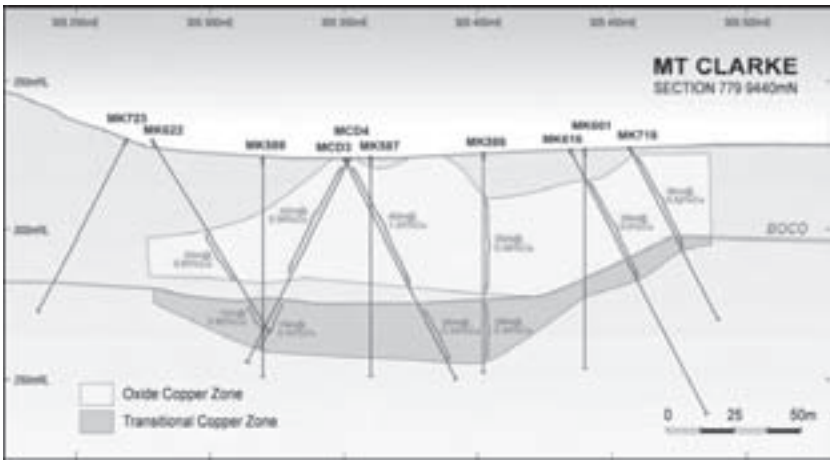


Figure 5: Cross section of the Mount Clarke oxide copper deposit

Flying Horse deposit

Located approximately 200 metres to the south of Mount Clarke, the Flying Horse deposit covers a strike length of 700 metres and is up to 400 metres wide. Flying Horse is similar in mineralization style to Mount Clarke and is hosted within similar dolomitic siltstone sediments. Mineralisation is controlled by a series of sub parallel en-echelon shear zones trending west-northwest associated with a splay off the Mount Kelly fault. Oxide mineralisation remains open along structural extensions to the west and northwest of the currently defined mineralised area.

Flying Horse sulphide deposit

Significant primary copper-gold mineralisation has been outlined along the Mount Kelly fault located to the immediate southwest of Mount Clarke and northeast of Flying Horse. In 2001, previous explorers reported an Inferred Resource of 450,000 tonnes at 1.3 g/t Au and 2.0% Cu for mineralization hosted within the Mount Kelly fault zone. Recent deeper drilling has identified an extensive zone of sulphide mineralization beneath Flying Horse. Sulphide mineralization is controlled by a series of sub parallel northwest trending structural faults and comprises dominantly chalcopyrite and lesser chalcocite hosted within carbonate dominated breccias.

To date, extensive sulphide mineralization has been identified over 400 metres of strike, up to 400 metres wide between depths of 100 metres and 300 metres from surface.

Mount Kelly Workings deposit

The Mount Kelly Workings deposit is located approximately 100 metres to the southeast of Flying Horse. Oxide copper mineralisation is focused within the axial zone of a shallow plunging anticline where it is intersected by the north-northwest trending Mount Kelly fault and the west-northwest trending Spinifex thrust. Remobilisation of copper minerals is evident away from the controlling structures along bedding and axial cleavage planes.

Swagman deposit

The Swagman deposit is the only non contiguous deposit within the Mount Kelly area. Located approximately 1.5 kilometres to the south of Flying Horse, the Swagman mineralisation is controlled by the Swagman fault, a splay of the regional north-south trending McNamaras fault. Whilst this zone of mineralisation is currently smaller than both Mount Clarke and Flying Horse, it is near surface and hosted within competent siltstones and sandstones. These host rocks are very similar to Mount Clarke and Flying Horse and boast excellent leach kinetics.

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3.4 ***Buckley River area***

The Buckley River area is located 70 km north of Mount Isa and 45 km south of the Lady Annie Project processing plant. Buckley River forms a part of the Lady Annie Project.

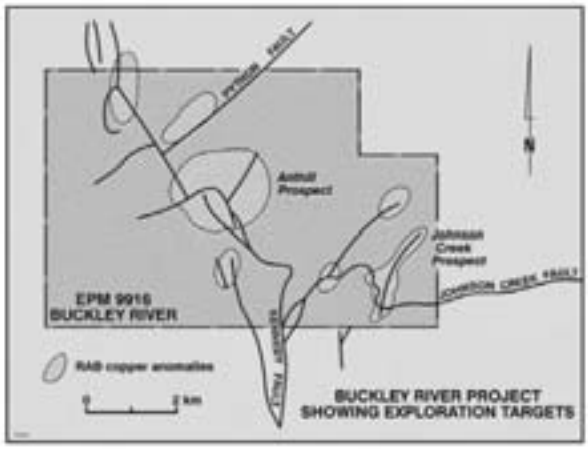


Figure 6: Buckley River Project

At the Buckley River area, CopperCo is targeting a possible second production base in the Mount Isa district. Given the high grade nature of the oxide copper mineralisation and the distance from Buckley River to the Lady Annie Project processing plant, the mineralisation being defined may be able to be exploited through the operating Lady Annie Project processing plant.

Of some six targets at Buckley River, two prospect areas have been prioritised, namely the Anthill prospect and the Johnson Creek prospect. The Anthill prospect has been the focus of resource definition drilling.

Recent resource definition drilling at Anthill has lead to the completion of a Mineral Resource of 3.9Mt at 1.1% Cu. Mineralisation is hosted in weathered dolomitic siltstones and sandstones of the Paradise Creek formation and the style of mineralization is similar to the Lady Annie and the Mount Kelly deposits. The Mineral Resource is open to the southwest and to the northeast and further resource definition drilling will be undertaken later in 2008.

Potential exists for a sulphide resource to be developed at Anthill, below the oxide blanket. This target will be further investigated later in 2008.

3.5 ***Exploration outlook***

Over the last three and a half years, CopperCo's exploration team has defined oxide copper resources within the Lady Annie Project that initially underpinned the 19,000 tpa production case and, more recently, the 30,000 tpa expansion case. During that period, the Mineral Resource inventory has increased by 300% at an average discovery cost of US$0.05 per pound.

The focus of the exploration effort over the next 12 months will be to define further oxide copper resources that could underpin production expansions over the 30,000 tpa production base at the Lady Annie Project.

Over the next 12 to 18 months, exploration will be concentrated on oxide copper discoveries and extensions in the following areas:

- Lady Brenda (adjacent to the Lady Annie deposit)
- Mount Kelly
- McLeod Hill
- Anthill
- Lady Maggie

These are all located within an economical trucking distance of the current SX-EW facility. In the medium term, CopperCo is looking to secure a robust tenement position around some highly prospective oxide copper targets located within the Central succession of the Mount Isa block.

Copper sulphide resources beneath current oxide copper deposits are also being evaluated with the view to defining a resource base that would support a 20,000 tpa copper in concentrate operation in the medium to long term.

4. Mid-stage projects

4.1 ***Lady Loretta (zinc, Queensland, Australia, 25% holding)***

Overview of Lady Loretta

Lady Loretta is a high grade zinc project located 140 kilometres north north-west of the major mining centre of Mount Isa in north-west Queensland.

Mineral Resources for the project, as of October 2006 and classified according to the JORC Code (2004) are set out in the table in paragraph 5 of Part I. Lady Loretta is one of the world's higher grade undeveloped zinc deposits, containing more than 2.3 million tonnes of zinc.

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Minsec retains a 25% joint venture interest in the Lady Loretta Project. Xstrata, Minsec's 75% partner in the joint venture and operator of the project, has existing zinc operations in the Mount Isa region.

Activity and outlook

Since Xstrata's entry into the project in late 2006, work has focused on a mine-only development at Lady Loretta, with ore hauled by road to Xstrata's ore processing facility at Mount Isa, where ore processing capacity is currently being expanded to 8 million tpa.

Metallurgical test work during 2007 has confirmed the amenability of the Lady Loretta ore types to treatment in the Mount Isa facility in a blend with ore from Xstrata's George Fisher mine.

Estimation of capital and operating costs for the mine-only project is nearing completion, together with preparation of a project financial model. Discussions of a contractual framework for use of the Mount Isa facilities have been held. Minsec is hopeful that a decision to develop Lady Loretta could be made in 2008. At a 1 million tpa mining rate, Minsec's equity share of zinc in concentrate would be in the region of 24,000 to 30,000 tpa.

The synergies available to the Enlarged CopperCo Group from the close proximity of Lady Annie and Lady Loretta are potentially significant.

4.2 ***Sappes (gold, Greece, 100% holding)***

Overview of Sappes

The Sappes gold project is located 30 kilometres northwest of Alexandropoulos in the Thrace region of north-eastern Greece, near that country's borders with Bulgaria and Turkey. The project is situated on Mining Lease ML850 (approximately 20 km^2 in area) and held by Minsec's indirectly wholly-owned Greek subsidiary, Thrace Minerals SA.

The project is based on the development of a shallow underground gold mine on the high-grade Viper ore body and a small open pit on the near-surface St Demetrios ore body. The production at the mine envisaged by the feasibility study, subject to the completion of the permitting process and financing, is at the rate of approximately 100,000 ounces of gold per annum (in doré and a gold-rich copper concentrate) for an initial four-to-five year life.

The project is expected to have competitive operating costs. The most recent estimates, contained in a Competent Person's report prepared for Minsec's admission to the AIM market in July 2007, suggest life-of-mine capital costs of US$86 million and operating costs of approximately US$236 per ounce of gold produced (including realisation costs and net of by-product copper and silver credits).

The project has been designed to have minimal environmental impact. It has a small footprint with a large part of process plant tailings returned to the mine as fill and uses a flotation process for gold recovery.

Mineral Resources and Ore Reserves, which comply with the JORC Code and are unchanged from 2006, are summarised in paragraph 5 of Part I of this document.

Activity and outlook

Work is underway on preparation of an updated EIS which will be lodged with the Environment Ministry in due course. The EIS requires approval by the Environment Ministry and then by a Joint Ministerial Decision of five ministries including the Environment and Development Ministries. Once approval is received, Minsec may then apply for the relevant operating and construction permits.

Minsec recognises the sensitivity of the Greek community to gold mining and has held a number of discussions with experienced mine operators in Greece with a view to introducing local ownership into the project. This is seen as a vital ingredient in moving this highly attractive project into development.

5. Early-stage projects

5.1 ***Australis Exploration Pty Ltd (base metals, uranium, Queensland/Northern Territory, 100%)***

Australis, which is indirectly a wholly-owned subsidiary of Minsec, has permit applications covering approximately 36,000 km^2 of the Georgina Basin in Queensland and the Northern Territory, located to the west of Mount Isa. Australis intends to commence an exploration programme in 2008 targeting base metals and uranium.

5.2 ***Qixia Joint Venture (gold, Shandong Province, China, 75%)***

The joint venture, which is managed by Minsec's Beijing office, has established a project office in Qixia and is undertaking initial set up work to allow gold exploration activities to commence in the Shandong Province, China's largest gold producing region. Under the terms of the joint venture agreement, Minsec earned 75% of the project by spending US$1.2 million over the past two years. The joint venture area comprises 10 exploration licences covering 180 km^2 of property, prospective for gold.

Concurrent with the transfer of licences into the joint venture company, Minsec is conducting geophysical and geochemical exploration.

5.3 ***Buka Gold Limited ASX: BKG –Gympie & Mt Scotchy (gold, Queensland, Australia, 58.2%)***

Overview of Buka Gold

Buka Gold was established in February 2005 by Buka Minerals to serve as a publicly listed vehicle for ongoing evaluation and development of more than 760 km^2 surrounding the historically prolific gold mining centre of Gympie in south-east Queensland and for corporate activity in the Australian gold sector.

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On 10 October 2005, Buka Gold was admitted to the official list of ASX following the successful completion of a A$12 million initial public offering of new shares. As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 33,730,001 shares in Buka Gold representing approximately 58.2% of Buka Gold's issued capital.

Activity and outlook

Buka Gold is exploring for gold in south-east Queensland. During 2007, Buka Gold's focus moved from exploration within and around its Gympie mine, where declining reserves and difficult operating conditions led to the scaling back of operations, to exploration to the north of Gympie.

This change in emphasis was rewarded with the discovery of precious and base metals mineralisation at Mt Scotchy, located 25 kilometres north-west of Gympie and just off the main highway. Surface sampling, mapping and trenching at Mt Scotchy has shown that Au-Ag-Pb-Zn-As mineralisation accompanies widespread alteration and gossan development associated with a major hydrothermal system within the Mt Scotchy sub-volcanic intrusive complex. This is regarded as a prospective environment for the development of potentially economic precious and base metal deposits.

An initial successful reverse circulation drilling programme at Mt Scotchy returned results including:

- 1m at 3.0g/t Au, 40g/t Ag, 0.5% Pb and 1.2% Zn (MSRC01, 81-82m)
- 1m at 3.3g/t Au, 53g/t Ag, 0.3% Pb and 1.0% Zn (MSRC01, 91-92m)
- 4m at 1.7g/t Au, 64g/t Ag, 0.5% Pb and 0.4% Zn (MSRC02A, 70-74m)
- 2m at 2.0g/t Au, 37g/t Ag, 0.4% Pb and 0.3% Zn (MSRC02A 78-80m)
- 1m at 1.5g/t Au, 80g/t Ag, 1.0% Pb and 3.0% Zn (MSRC04, 38-39m)
- 1m at 2.0g/t Au, 27g/t Ag and 1.6% Zn (MSRC09, 21-22m)
- 1m at 3.1g/t Au, 16g/t Ag and 1.3% Zn (MSRC09, 29-30m)

The success at Mt Scotchy indicated a new style of mineralisation, previously unknown in the region, and its discovery has led Buka Gold to make applications for exploration permits with a total area of around 2,500 km^2, covering those parts of the Maryborough Basin considered most prospective. A major new regional exploration project targeting this style of mineralisation will be initiated during the coming year.

6. Core investment – Platmin Limited, TSX and AIM: PPN (platinum, Bushveld complex, South Africa 17.5%)

Overview of Platmin

Platmin is a mineral exploration and development company incorporated under the laws of Canada and listed on AIM and the TSX. Platmin is exploring and developing PGM projects on the Bushveld complex of South Africa.

Platmin's primary projects comprise the Pilanesberg, Mphahlele, Grootboom and Loskop projects with Platmin's attributable share of resources in these projects being 17.13 million ounces of 4E.

As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 19,546,674 shares in Platmin, representing approximately 17.5% of Platmin's issued share capital. Minsec's Chief Executive Officer, Keith Liddell, is Platmin's Executive Deputy Chairman and Minsec's Corporate Officer, Mark Bolton, is Platmin's VP Corporate Development.

Platinum group metals are a key ingredient in automobile catalytic converters, which reduce emissions of greenhouse gases.

Pilanesberg Project

The Pilanesberg project, in which Platmin holds an interest of 72.39%, has a granted mining right and is currently under construction with production expected to commence in the first half of 2009.

Pilanesberg is located in the western Bushveld and north west of Rustenberg. The initial development comprises two open pit mining operations with centralized concentrator with projected steady state annual production of 250,000 ounces per annum from the Merensky, UG2 and intermediate reefs.

A major bank has been appointed to arrange project finance for the development of Pilanesberg.

Mphahlele Project

The Mphahlele project is located approximately 50 kilometres south east of Polokwane, the capital city of the Limpopo province in the north of the Bushveld complex. Platmin has a beneficial interest in the Mphahlele project of 54.29% Mphahlele is expected to produce a PGM concentrate with both high sulphide and base metal content.

Platmin has recently completed a pre-feasibility study and commenced a feasibility study. In addition, Platmin has recently lodged a mining right application for the development of the Mphahlele project.

Grootboom Project

The Grootboom project, in which Platmin holds an interest of 72.39%, comprises granted exploration rights. The project is located in the eastern Bushveld near Steelpoort. Platmin is currently finalising a pre-feasibility study on the development of Grootboom and has recently lodged a mining right application.

Loskop Project

The Loskop project, in which Platmin holds an interest of 72.39% comprising granted exploration rights. Loskop is located in the south east of the Bushveld complex in Mpumalanga Province. A Mineral Resource has been defined and the project is close to infrastructure.

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Lonmin is project manager and is earning an interest in the project which will reduce Platmin's interest to 36.2%.

Activity and outlook

Both CopperCo and Minsec believe that Platmin has significant opportunity for value accretion underpinned by:

- the development and commissioning of Pilanesberg;
- the completion of the feasibility study and potential resources revisions on Mphahlele;
- the completion of the feasibility study on Grootboom; and
- subject to the outcome of the respective feasibility studies, the potential development of Mphahlele and Grootboom.

7. Other Investments

7.1 ***Tianshan Goldfields Limited, ASX and AIM: TGF (gold, China, 27.6%)***

Overview of Tianshan

Tianshan has a 90% interest in the 632 km^2 Gold Mountain gold project in the Xinjiang Uygur autonomous region of north-western China, which it acquired from Minsec Australia in October 2003. Gold Mountain lies within the prolific Tian Shan gold belt which hosts the giant Muruntau mine and the Zarmitan, Kumtor and Arxi deposits and offers advanced gold exploration targets with the potential for both large tonnage disseminated gold deposits and narrower grade opportunities.

As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 68,402,118 shares in Tianshan, representing approximately 27.6% of Tianshan's undiluted issued share capital. Tianshan is listed on AIM and the ASX.

Minsec's Chief Executive Officer, Keith Liddell, is Tianshan's non-executive Chairman.

Activity and outlook

Tianshan's aim is to develop and continue to identify large tonnage, stratabound, disseminated style gold deposits in near surface blankets associated with high grade feeder breccias and veins within the Gold Mountain project, that are suitable to open pit mining and heap leaching.

The plan for 2008 is to complete prefeasibility studies into a heap leach operation commenced in 2007. The Company's exploration and drilling program has delivered a significant upgrade in the classification of the resources at Gold Mountain and has identified higher grade feeder zones at Jinxi and possibly Yelmand. Further work for 2008 will involve infill drilling to define the feeder structures and complete the feasibility studies commenced in 2007 for a potential open pit and heap leach mining operation. Several new prospects identified in 2007 will also be drill tested.

7.2 ***Mineral Sands Limited, ASX: MSN (heavy mineral sands/gold/uranium, Australia, 34.5%)***

Mineral Sands, which is listed on the ASX, holds a portfolio of mineral sands exploration projects in various Australian states. Initial exploration has focused on tenements in the Western Australian section of the Eucla Basin, a mineral province which has become known for zircon-rich heavy mineral assemblages. This work also identified anomalous gold and uranium results on the Plumridge project, where a programme of air-core drilling has recently confirmed significant supergene gold mineralisation over more than 9km of strike in what is now called the Corvette prospect. At least two sub-parallel zones of mineralisation are indicated, which correlate with structures recognisable in magnetic data and mineralisation remains open along strike in both directions. Infill drilling is planned prior to commencing a programme of RC drilling to target the bedrock gold sources. Work also continues on Mineral Sands' properties in Victoria and New South Wales.

As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 40,000,000 shares in Mineral Sands, representing approximately 34.5% of the issued share capital of Mineral Sands.

7.3 ***NiPlats Australia Limited, ASX: NIP (fluorite/PGM/vanadium, Western Australia, 40.1%)***

NiPlats, which is listed on the ASX, has established a portfolio of 100% owned tenements covering approximately 473 km^2 in the East Kimberley region of Western Australia. At its Speewah project, NiPlats plans to develop a high grade fluorite deposit to supply fluorspar to the international market and continue to drill test newly identified vanadium and PGE potential.

The Speewah project is located about 100 kilometres south of the port of Wyndham in the Kimberley region of Western Australia and contains a high grade, epithermal vein-style fluorite resource.

As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 30,000,000 shares in NiPlats representing approximately 40.1% of the issued share capital of NiPlats.

7.4 ***Herencia Resources plc, AIM: HER (zinc/lead/silver, Chile, 46.0%)***

Herencia is a mineral exploration company listed on AIM exploring for base and precious metals in Chile. The principal focus is the Paguanta polymetallic project, located at the northern end of Chile's porphyry copper belt, where it has recently completed the expenditure commitments necessary to earn a 70% project interest and form an operating joint venture identifying resource opportunities in South America.

In December 2005, Herencia acquired an interest in the Paguanta silver project in northern Chile from Minsec Australia. The interest was acquired through the purchase of Tarapaca Resources (Bermuda) Limited and its wholly-owned subsidiaries.

As at 20 June 2008, being the latest practicable date prior to the publication of this document, Minsec held 279,400,000 shares in Herencia, representing approximately 46% of the issued share capital of Herencia.

Minsec's non-executive Director, Hon. John Moore AO, is Herencia's Chairman and Michael Bohm, Minsec's Managing Director – Asia Pacific, is an Executive Director of Herencia.

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7.5 ***Vostok (copper, Kazakhstan, 15%)***

The Vostok copper project is located in southern Kazakhstan, near Lake Balkhash. In June 2007, Vale acquired an 85% partnership in the project which it can retain by meeting the balance of the US$4 million expenditure commitments, undertaking a BFS and making a further US$1 million payment to Minsec. At completion of a successful BFS, Minsec can elect to fund its remaining share of the project (15%) or convert its share to a 1.5% net smelter return royalty position in exchange for Vale funding 100% of the implementation costs.

Exploration, now under Vale's direction, resumed recently in the form of further drilling at the main Vostok 1 prospect aimed at allowing calculation of a JORC Code compliant resource.

7.6 ***Chaarat Gold Holdings Limited, AIM: CGH (gold, Tianshan belt, Kyrgyzstan, 9.5%)***

Chaarat is exploring over 600 km^2 of western Kyrgyzstan with an initial resource of 14.1 million tonnes containing 1.9 million ounces of gold. Chaarat was admitted to trading on AIM on 8 November 2007 having raised £8.8 million (US$18 million).

The Chaarat gold project is located in western Kyrgyzstan on a licence renewed by the Kyrgyz State Geological Agency in November 2006.

As at 20 June 2008, being the latest practicable date prior to publication of this document, Minsec held 6,801,300 shares in Chaarat representing approximately 9.5% of the issued share capital.

7.7 ***Zambezi Resources Limited, AIM: ZRL (Copper, Zambia, 5.3%)***

Zambezi is listed on AIM and is focused on exploring and developing resource projects on 10 prospecting licenses covering an area of 17,300 km^2 in Southern Zambia.

As at 20 June 2008, being the latest practicable date prior to publication of this document, Minsec held 9,905,000 shares in Zambezi (of which CopperCo had agreed to acquire 8,000,000 shares pursuant to a deferred settlement agreement with Minsec) representing approximately 5.3% of the issued share capital.

CopperCo's Managing Director, Brian Rear, is Chairman of Zambezi.

7.8 ***Other***

Minsec has a number of small investments in other quoted and unquoted minerals companies.

8. Environmental and community issues

Resource exploitation is an environmentally sensitive business and, in general, the Enlarged CopperCo Group's view is that environmental and community considerations must form part of the risk assessment and due diligence process prior to any investment and that afterwards the application of good environmental and social practices is essential to maximise the value of those investments.

9. Operating risks and uncertainties

Operating risks and uncertainties are described in the Risk Factors section on page 8 of this document.

10. Financial review

10.1 ***Historical Review***

Financial Review for the six months ended 31 December 2007 compared to the six months ended 31 December 2006

The CopperCo Group recorded a gross profit of A$13.9 million, a profit before tax of A$0.6 million and an operating loss after income tax of A$0.2 million for the six months ended 31 December 2007.

Revenue and Gross Profit

The company generated total revenue of A$23.35 million during the six months ended 31 December 2007 attributable to the sale of LME "A" grade copper from the Lady Annie Project. The Lady Annie Project was successfully commissioned in September 2007 with plating LME "A" grade copper cathode commencing on 27 September 2007. Ramp up to nameplate capacity occurred in April 2008 as inventory under leach reached design levels. Copper produced from the Lady Annie Project during the December quarter totalled 2,984 tonnes from 780,743 tonnes of ore stacked at a grade of 0.84% Cu. Copper cathode sold (2,928 tonnes) generated sales revenue of A$23.35 million for an average weighted price of A$7,974 per tonne at and average A$ to US$ exchange rate of 0.89. Sales related distribution expenses and royalties were A$0.9 million for the six months ended 31 December 2007.

For the six months ended 31 December 2006, no revenue and gross profit was generated as the Company only officially started its copper production activities in September 2007.

Corporate and administrative expenses

Corporate and administrative expenses comprised depreciation of plant and equipment, employee benefits, share-based payments, and other administration costs. The level of corporate and administrative expenses is comparable to the six months ended 31 December 2006.

On 20 August 2007 the Company announced the issue of 1,700,000 employee options each exercisable at A$0.79 and expiring on 19 July 2012.

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Finance costs

Finance costs comprised borrowing costs of A$1.7 million (half-year 31 December 2006: A$1.1 million) and interest of A$4 million (half-year 31 December 2006: A$0.5 million). The significant increase in interest costs related to an increase in interest bearing debts as follows:

(a) CopperCo's senior debt facility increased from A$19 million at 30 June 2007 to A$55 million at 31 December 2007. Interest on the facility compounds monthly and is payable based on the three month bank bill rate plus 2.7% per annum.

(b) A cost overrun facility of A$10 million was established during the half year to 31 December 2007. This facility bears interest at the rate of the three month bank bill rate plus 2.7% per annum.

(c) A subordinated debt facility of A$20 million repayable no later than 30 June 2010. Interest on this facility is payable quarterly based on the three month bank bill rate plus 2.7% per annum. 20,000,000 options were issued as a condition for the provision of the financing facility and are amortised from the date of issue up until their expiry date of 30 June 2010.

(d) A facility of A$15 million was raised on 3 December 2007 from Macquarie Bank Limited (A$5 million), LinQ Resources Fund (A$5 million), Bell Co Pty Ltd (A$2.5 million) and Simon Moore (A$2.5 million). These facilities bear interest at the three month bank bill rate plus 2.7% and are payable no later than 30 June 2010.

(e) 12,500,000 options were issued to Macquarie Bank Limited (5,000,000), Perpetual Corporate Trust Limited as custodian of the LinQ Resources Fund (5,000,000) and Bell Co Pty Ltd (2,500,000) as a condition for the provision of the financing facilities referred to paragraph (d) above and are being amortised from the date of issue to 30 June 2010.

Other expenses

Other expenses consisted predominantly of development expenditure expensed since the commencement of mining activities in September 2007 and the impairment of available-for-sale investments held by the Company. These expenses did not occur during the half-year ended 31 December 2006.

Changes in working capital

CopperCo's cash balance at 31 December 2007 was A$5.5 million, compared to A$8.6 million at 30 June 2007. The decrease in the Company's cash balance was primarily attributable to the payment for plant and equipment and capital development of its mining operations. Inventories at 31 December 2007 of A$10.8 million were financed by interest bearing liabilities. Trade and other receivables increased by A$7 million and trade and other payables decreased by A$7 million.

Cash flow from operating activities

Net cash used in operating activities was A$5.2 million for the six months ended 31 December 2007 and was principally attributable to payments to suppliers and employees as a result of the commencement of copper production.

Cash flow from investing activities

Cash used in financing activities was A$66 million for the six months ended 31 December 2007 which included the purchase of A$46 million of capital equipment to support the commencement of mining operations.

Cash flow from financing activities

Cash from financing activities was A$68 million for the six months ended 31 December 2007. The activities principally reflect proceeds from borrowings of A$63 million and the proceeds from the issuance of shares of A$5.2 million.

Financial Review of the year ended 30 June 2007 compared to the year ended 30 June 2006

CopperCo recorded an operating loss after income tax of A$55.6 million (2006: A$3.6 million).

Revenue

Revenue received by CopperCo was mainly derived from interest income. The principal activities of the Company during the year consisted of the evaluation and development of the production facility to produce LME "A" grade copper in the 2008 financial year. Other income related to an A$0.6 million gain from the disposal of certain share investments.

Corporate and administrative expenses

Corporate and administrative expenses comprised office expenses, depreciation of plant and equipment, insurance, legal fees, travel and accommodation, employee benefits, and other administration costs. Total corporate and administrative expenses increased significantly compared to the year ended 30 June 2006 due to an increase in the level of operations and preparation for the production of copper cathode in September 2007.

At 30 June 2007, the Company employed 118 employees compared to only 21 employees at 30 June 2006. Salaries and wages increased accordingly from A$0.7 million to A$3.5 million. Share based payments also increased from A$0.5 million in 2006 to A$2.3 million in 2007.

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Finance costs

Finance costs comprised borrowing costs of A$5.1 million (2006: A$1 million), interest of A$1 million (2006: A$0.7 million), and debt extinguishment expenses of A$0.6 million (2006: nil). There was no imputed interest on the deferred consideration incurred during the year ended 30 June 2007 (2006: A$0.2 million). A significant increase in interest and borrowing costs related to the following new interest bearing facilities obtained during the year:

(a) A subordinated debt facility of A$14.9 million repayable no later than 30 June 2010. Interest on this facility compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%. 20,000,000 options were issued as a condition for the provision of the financing facility and are amortised from the date of issue up until their expiry date of 30 June 2010.

(b) A senior debt facility of A$19 million repayable no later than 30 June 2010. Interest compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%.

(c) A bank guarantee of A$3.4 million repayable no later than 30 June 2010. Interest compounds monthly and is payable quarterly based on the three month bank bill rate plus 2.7%.

Other expenses

Other expenses related mainly to the expensing of exploration expenditure of A$7.3 million and development expenditure of A$52.9 million and the impairment of available-for-sale investments of A$1.5 million.

Changes in working capital

CopperCo's cash balance at 30 June 2007 was A$8.6 million, compared to A$40.9 million at 30 June 2006. The decrease in the Company's cash balance was primarily attributable to payments for the acquisition of property, plant and equipment and capital development at the Lady Annie Project.

The increase in trade and other debtors by A$5.9 million is mainly attributable to the increase in goods and services tax of A$2.2 million and the increase in the security deposit of A$3.4 million with the Department of Mines and Energy in relation to a Plan of Operations for tenements owned by Lady Annie Operations.

Trade and other payables also increased significantly compared to 30 June 2006. The A$16.2 million increase in trade and other payables was mainly as a result of ramping up the Lady Annie Project.

Cash flow from operating activities

Net cash used in operating activities was A$10.4 million for the year ended 30 June 2007. Net cash used in operating activities was principally attributable to the net payments to suppliers and employees (A$7 million) and net interest payments of A$3.3 million.

Cash flow from investing activities

Cash used in financing activities was A$85.4 million for the year ended 30 June 2007. The Company purchased A$26 million of capital equipment and paid A$47 million for capital development during the year. In addition, total payments for exploration activities were A$8 million and security deposits paid to the Department of Mines and Energy were A$3.4 million.

Cash flow from financing activities

Cash from financing activities was A$63.6 million for the year ended 30 June 2007. The activities principally reflect proceeds from issuance of shares totalling A$30 million and the proceeds from borrowings of A$42 million. Capital raising costs were A$1.3 million and repayment of borrowings were A$7.5 million.

Financial Review of the year ended 30 June 2006 compared to the year ended 30 June 2005

CopperCo recorded an operating loss after income tax of A$3.6 million (2005: A$2.3 million)

CopperCo announced the completed feasibility study which confirmed an economic and technically viable Lady Annie Project.

Revenue

Revenue was mainly derived from interest income. Principal activities of the Company during the year were to hold and pursue development opportunities in respect of its various mineral exploration tenements, directly and through farm-in arrangements.

Corporate and administrative expenses

Corporate and administrative expenses comprised office expenses, depreciation of plant and equipment, insurance, legal fees, travel and accommodation, employee benefits, and other administration costs. The level of corporate and administrative expenses were comparable to the year ended 30 June 2005 except for an increase of A$0.5 million in employee benefits for additional head count and share based payments.

Finance costs

Finance costs comprised borrowing costs of A$1 million (2005: A$0.3 million), interest of A$0.73 million (2005: A$0.1 million), and imputed interest on deferred consideration of A$0.2 million (2005: A$0.2 million). The significant increase in interest and borrowing costs related to the following new interest bearing facilities obtained during the year:

(a) Unsecured loans of A$2 million repayable no later than 1 July 2007 or convertible into CopperCo Shares at the price of any placement between the date of agreement and the conversion date, or at 90% of the 5 day VWAP of CopperCo shares in the event that a placement is not undertaken during this period. Interest compounded monthly and was repayable quarterly based on 9% per annum.

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(b) An A$4 million secured loan repayable no later than 30 September 2007. Interest compounded monthly and was payable quarterly based on 9% per annum. The loan was secured against 38,297,546 shares held by CopperCo in Universal Resources Limited, which had a market value of A$6.1 million at 30 June 2006.

The funds obtained were utilised for the ongoing exploration activities, part payment of the second hand SX-EW equipment purchase, funding of detailed engineering for the Lady Annie Project and working capital.

Other expenses

Other expenses related mainly to the expensing of exploration expenditure totalling A$2.2 million and the impairment of available-for-sale investments of A$1.5 million.

Changes in working capital

CopperCo's cash balance at 30 June 2006 was A$40.9 million, compared to A$1.8 million at 30 June 2005. The increase in the Company's cash balance was primarily attributable to the proceeds from the issuance of shares totalling A$53 million during the year. Trade and other receivables increased by A$0.5 million relating to interest receivable from short-term deposits. Trade and other payables increased by A$2.3 million as a result of an increase in operations and the timing of creditor payments.

Cash flow from operating activities

Net cash used in operating activities was A$2.2 million for the year ended 30 June 2006. Net cash used in operating activities was principally attributable to net payments to suppliers and employees (A$1.7 million) and net interest expenses of (A$0.8 million).

Cash flow from investing activities

Cash used in investing activities was A$14.6 million for the year ended 30 June 2006. The Company purchased A$6.7 million of capital equipment, paid A$1 million for capital development during the year and paid for exploration activities of A$6.9 million.

Cash flow from financing activities

Cash from financing activities was A$55.9 million for the year ended 30 June 2006. The activities principally reflected proceeds from the issuance of shares totalling A$53 million from a placement in May 2006 and proceeds from borrowings of A$7 million. Capital raising costs were A$3.1 million and repayment of borrowings were A$1 million. The equity raising will be used to partly finance the development of the Lady Annie Project.

10.2 ***Current financial position***

The latest published financial statements of CopperCo are the unaudited interim financial statements for the six months ended 31 December 2007. A copy of those financial statements is at Section E of Part II.

The latest published financial statements of Minsec are the unaudited financial statements for the six months ended 31 March 2008. A copy of those financial statements is at Section F of Part II.

A pro forma balance sheet is at Section G of Part II.

The value of the Enlarged CopperCo Group's listed investment interests as at 20 June 2008, being the latest practicable date prior to the publication of this document, was:

	Listed shares held[1]	*%*	*Value*[2] *US$000*
Core Investment			
Platmin	19,546,674	17.52	132,731
Quoted subsidiary			
Buka Gold	33,730,001	58.23	3,516
Associates			
Tianshan	68,402,118	27.64	25,311
Herencia	279,400,000	46.00	4,668
Mineral Sands	40,000,000	34.47	4,739
NiPlats	30,000,000	40.11	12,794
Other interests			
Baobab Resources Limited	5,000,000	7.68	1,425
Chaarat	6,801,300	9.46	5,815
Universal Resources Limited	24,857,714	7.23	1,790
Zambezi	9,905,000	5.26	1,995
Other	—	—	190
Total			194,974

1. Excluding shares to be received on exercise of options or other rights. All shares are held by Minsec although CopperCo has agreed to purchase and has the economic interest in 8,000,000 Zambezi shares.
2. Including value of options and other rights.

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10.3 ***Effect of the Acquisition***

There are no material differences between the accounting policies of CopperCo and Minsec.

The Acquisition is expected to be accounted for as a conventional acquisition of Minsec by CopperCo. It is likely that this will result in the recognition of substantial negative goodwill due to the difference between the fair value of Minsec's assets and Minsec's current market capitalisation, although the precise amount can only be determined post-completion. Any such negative goodwill will be recognised in the income statement in the period when completion occurs.

The Acquisition will lead to the elimination of Minsec's option liabilities.

The Acquisition will also lead to a further cash outflow of approximately US$5.9 million in respect of transaction costs.

A pro forma balance sheet of the Enlarged CopperCo Group is at Section G of Part II.

10.4 ***Accounting***

The Enlarged CopperCo Group accounts will be prepared under AIFRS with a period end of 30 June. It is currently expected that no material accounting changes will arise as a result of the Acquisition, however the Enlarged CopperCo Group will align any inconsistencies that arise in relation to accounting policies.

10.5 ***Key Performance Indicators ("KPIs")***

The Enlarged CopperCo Group initially intends to continue with Minsec's KPIs, which are:

(a) total shareholder return ("TSR"); and

(b) assets per share.

TSR is used as an indicator of company performance and is an input during the remuneration committee's consideration of potential incentive payments to executive management. TSR is measured against a comparator group of companies with similar assets operating in similar jurisdictions. The board of the Enlarged CopperCo Group will consider the makeup of a new comparator group to reflect the asset portfolio of the Enlarged CopperCo Group.

Minsec has also used assets per share as an indicator of the growth, or otherwise, in shareholder wealth over time. Asset value per share is generally managed on a historic costs basis and does not take into account unrealised increases in asset value.

The Enlarged CopperCo Group's board and senior management will review the KPI's and assess the suitability to the asset composition of the Enlarged CopperCo Group and make adjustments where necessary.

10.6 ***Treasury and financial risk management***

The Enlarged CopperCo Group intends to continue CopperCo's approach to the management of financial risk. Control over treasury and risk management is exercised by the board and its audit and risk committee through the setting of policy and the regular review of forecasts and financial exposures.

CopperCo's principal financial instruments, other than derivatives, comprise short term deposits, interest bearing liabilities and cash and available-for-sale investments. The main purpose of these financial instruments is, other than deposits, to raise finance for CopperCo's operations.

CopperCo has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from these financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks.

To manage forward copper pricing risk and to ensure CopperCo's medium term revenue achieves business plan objectives, the Company has put in place a hedge programme to manage copper price risk and foreign currency exposure. Further detail is provided in paragraph 3 of Part I and paragraph (d) below.

At present, no other financial instruments are used for treasury management and the CopperCo Group does not undertake any trading activity in financial instruments other than accepting, holding and disposing of options in investee companies.

(a) *Cashflow, liquidity and cash management*

The Enlarged CopperCo Group's initial cash inflows will be dominated by revenues from Lady Annie, augmented by the proceeds of disposal of non-core investments. This cash is expected to be utilised in debt interest and principal repayments, capital expenditure to increase capacity at Lady Annie from 19,000 tpa to 30,000 tpa, exploration and further investment in existing or new interests, as well as meeting normal operating expenditures.

The working capital position is set out in the working capital statement in paragraph 20 of Part V.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

(b) *Debt*

On completion of the Acquisition, the Enlarged CopperCo Group will have bank debt of approximately A$135 million.

Details of CopperCo's indebtedness are contained in the capitalisation and indebtedness statement set out in paragraph 21 of Part V of this document. There has been no material change in the indebtedness of CopperCo between the date of the capitalisation and indebtedness statement and the date of this document.

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Interest on CopperCo's facilities is payable at the rates set out in paragraph 15 of Part V of this document. All of the CopperCo loans are secured by fixed and floating charges over all assets and undertakings of the CopperCo Group and various asset specific charges including a mining mortgage over certain mining tenements held by the Company.

Minsec currently has a A$45 million corporate loan facility due for repayment on 31 December 2008 secured by a fixed and floating charge, an equitable mortgage and certain guarantees over substantially all of the investments held by Minsec. Interest is payable at a margin of 3% pa over Australian bank bill rate.

Minsec also has bank guarantees of approximately A$1.9 million and €0.4 million which have been provided to meet various performance bond requirements in respect of its mining tenements.

(c) *Interest rates*

At present both Minsec and CopperCo's debt and interest bearing assets are all at floating rates.

A one percentage point change in interest rates would have an impact of approximately A$1.35 million on the Enlarged CopperCo Group's results in a full year which is within the range of risk that the CopperCo Directors expect that the board of the Enlarged CopperCo Group will regard as acceptable.

(d) *Hedging*

The Enlarged CopperCo Group's future revenues may be exposed to commodity price fluctuations. In order to manage this risk, the Enlarged CopperCo Group may enter into commodity price derivative instruments.

Copper sales are priced in US dollars whilst the Lady Annie Project cost base and funding are primarily denominated in Australian dollars. Derivative financial instruments are currently used by CopperCo in the normal course of business in order to hedge exposure to fluctuations in copper prices and foreign currency. The Enlarged CopperCo Group proposes to continue CopperCo's policy of managing its commodity price and foreign exchange exposure jointly by executing Australian dollar copper forward sales and other hedge contracts.

The risk management objective of the forward sales contracts is to hedge the price risk associated with the sale of future copper metal from the Lady Annie Project. The price risk being hedged is the potential change in cash flows that may result should the spot price for copper move above or below the currently available forward sales price.

The forward sales program for copper cathode production calls for the delivery of 34,100t of copper cathode at a flat forward price of A$7,054 per tonne until July 2010 at the rate of approximately 1,100t per month. From 1 April 2009 to July 2010 a further 450 tonnes per month will be delivered at a flat forward price of A$7,940 per tonne.

(e) *Taxation*

Due to the predecessor companies' historic losses, both trading and capital, Minsec currently has substantial unrecognised deferred tax assets in the UK and Australia. Following completion of the Acquisition, the Enlarged CopperCo Group will review its global operating structure with a view to ensuring operating and financial efficiency.

All significant tax returns for companies in the Minsec Group and CopperCo Group are filed in accordance with regulatory timetable requirements. There are no known outstanding matters that may lead to material adjustments in any of the Minsec Group or CopperCo Group companies.

The Enlarged CopperCo Group's risk management policy for taxation will be to obtain independent expert advice for any material tax issues that arise.

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PART IV

CONDITIONS AND FURTHER TERMS OF THE OFFER

Section A: Conditions of the Offer

The Offer is subject to the following conditions:

1. Minimum acceptance

That, during or at the end of the Transaction Period, CopperCo holds, or has received valid acceptances in respect of not less than 80% (or such lower percentage as CopperCo may decide) of Minsec Shares and of the voting rights attached to those Minsec Shares, provided that this condition will not be satisfied unless CopperCo and/or any member of the CopperCo Group shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Minsec Shares carrying, in aggregate, over 50% of the voting rights then exercisable at general meetings of Minsec (including for this purpose, to the extent (if any) required by the Expert, any voting rights attaching to any Minsec Shares which are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise).

For the purposes of this condition the Minsec Shares which have been unconditionally allotted shall be deemed to carry the voting rights which they will carry on issue.

2. Minsec Treasury Shares

That:

(a) the holders of the Minsec Treasury Shares do not accept the Offer; and

(b) by no later than five Business Days before the end of the Transaction Period, the Minsec Treasury Shares are cancelled.

3. Convertible notes

That, if CopperCo makes a placement which dilutes Minsec's shareholding in CopperCo, Minsec converts (as soon as is practicable) the maximum number of convertible notes (into CopperCo Shares) that it is able to without acquiring voting power (as defined in the Corporations Act) in CopperCo in excess of 20%.

4. Shareholder approval

That, prior to the end of the Transaction Period, CopperCo Shareholders approve by ordinary resolution, at a meeting to be convened by CopperCo:

(a) the acquisition of Minsec Shares by CopperCo from each of Mr Keith Liddell and Mr Robert Champion de Crespigny AC (for the purposes of Listing Rule 10.1);

(b) the issue of New CopperCo Shares (for the purposes of Listing Rule 7.1);

(c) the issue of New CopperCo Shares to any CopperCo Director who holds Minsec Shares (for the purposes of Listing Rule 10.11); and

(d) the potential offer of CopperCo Shares as consideration for any transfer or cancellation of any outstanding options over Minsec Shares (pursuant to Listing Rule 10.11, where relevant).

Shareholder approval was received at an extraordinary general meeting of CopperCo held on 16 May 2008.

5. Foreign Acquisitions and Takeovers Act

That the Treasurer of the Commonwealth of Australia consents, on an unconditional basis under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth) ("Act") to the proposed acquisition by CopperCo of Minsec and the Treasurer is taken to have so consented:

(a) if CopperCo receives written advice from or on behalf of the Treasurer to the effect that the acquisition of Minsec is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the Act; or

(b) if notice of the proposed acquisition of Minsec is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the Act in relation to the proposed acquisition because of lapse of time.

Approval was received from the Treasurer on 14 April 2008.

6. No regulatory action

That, between the Announcement Date and the end of the Transaction Period:

(a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and

(b) no Public Authority has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, reference or enquiry or enacted, made or proposed any statute, regulation, rule, decision, or order or required any action to be taken or information to be provided or otherwise refrained from having taken any step or action or done any thing; and

(c) there is not outstanding any statute, regulation, rule, decision or order:

  (i) which is not known by CopperCo or its Representatives as at the Announcement Date; or

  (ii) which ought not reasonably be known (on the basis of publicly disclosed information or the Due Diligence Material made available by Minsec) by CopperCo or its Representatives as at the Announcement Date; and

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(iii) which has application directly as a result of facts or circumstances relating to the business and assets of CopperCo,

in consequence of, or in connection with, the Offer, which would or might reasonably be expected to:

(iv) restrain or prohibit (or if granted could restrain or prohibit), or otherwise materially adversely impact directly or indirectly on, or impose additional or amended conditions or obligations with respect to or otherwise challenge or interfere with, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of CopperCo in respect of Minsec and the Minsec Shares or control or management of Minsec or any members of the Minsec Group to be acquired under the Offer;

(v) require, prevent, delay, restrict or affect the divestiture (or alter the terms of any proposed divestiture) by CopperCo of any Minsec Shares, or the divestiture of any business, assets or properties of the Minsec Group, the CopperCo Group or otherwise impose any limitation on the ability of any of them to conduct or to own, use or operate all or any part of their respective businesses, assets, or properties owned by, or the use or operation of which is enjoyed by any of them;

(vi) impose any limitation on, or result in any delay in, the ability of any member of the CopperCo Group or any member of the Minsec Group to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities (or the equivalent) in any member of the Minsec Group or any member of the CopperCo Group or to exercise management or voting control over any member of the Minsec Group or any member of the CopperCo Group;

(vii) require any member of the CopperCo Group or any member of the Minsec Group to acquire, or to offer to acquire, any shares or other securities or indebtedness (or the equivalent) in or of any member of the CopperCo Group or any member of the Minsec Group or any shares or other securities or indebtedness (or the equivalent) in or of, or any asset owned by, any other person, or to dispose of or repay, or to offer to dispose of or repay, any shares or other securities or indebtedness (or the equivalent) in or of, or any asset owned by, any member of the CopperCo Group or any member of the Minsec Group;

(viii) impose any material limitation on the ability of any member of the CopperCo Group or any member of the Minsec Group to integrate or co-ordinate its business, or any part of it, with any business of any member of the CopperCo Group or any member of the Minsec Group;

(ix) result in a material delay in the ability of any member of the CopperCo Group, or render any member of the CopperCo Group unable, to acquire all or some of the Minsec Shares; or

(x) otherwise adversely affect materially any or all of the business, assets, financial or trading position or profits, prospects or value of any member of the Minsec Group or any member of the CopperCo Group or the exercise of rights over shares of any company in the Minsec Group, and all applicable waiting and other time periods during which any Public Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, reference or enquiry or otherwise intervene having expired, lapsed or been terminated, however this condition shall not be considered to be triggered:

(A) simply as a result of Minsec (or any member of the Minsec Group) being or becoming required (pursuant to the provisions of the Corporations Act) to dispose of any shares it holds in CopperCo; or

(B) unless the event specified in (a), (b) or (c) above will, or is reasonably likely to, have a material adverse effect (of A$25 million or more) on the assets and liabilities, financial position and performance, profits and losses, value or prospects of Minsec and its subsidiaries taken as a whole.

7. Other regulatory approvals

That, prior to the end of the Transaction Period, all approvals, consents, filings, applications, clearances and permissions that are required by law or by any Public Authority, as are reasonably considered by CopperCo to be necessary to permit any applicable waiting or other time periods (including any extensions of such periods) under any applicable legislation or regulation having expired, lapsed or been terminated permitting:

(a) the Offer to be lawfully made to and accepted by Minsec Shareholders;

(b) the acquisition of Minsec Shares by CopperCo (and the resultant control of the Minsec Group);

(c) the issue of the New CopperCo Shares;

(d) the carrying on of the business of any member of the Minsec Group which is material to the Minsec Group as a whole; and

(e) the completion of the transactions contemplated by the Offer Document including full, lawful and effectual implementation of the intentions in relation to the Minsec Group set out in the Offer Document which are material to the Minsec Group as a whole,

are granted, given, made or obtained on an unconditional basis (or if given subject to conditions, the conditions are reasonably acceptable to CopperCo), remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same provided that CopperCo shall not be entitled to rely on this condition unless the event concerned will, or is reasonably likely to, have a material adverse effect (of A$25 million or more) on the assets and liabilities, financial position and performance, profits and losses, value or prospects of Minsec and its subsidiaries taken as a whole.

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8. No material adverse effect

That, except for any matter known (or which ought reasonably have been known on the basis of publicly disclosed information or the Due Diligence Material made available by Minsec) by CopperCo or its Representatives as at the Announcement Date, no specified event occurs in respect of Minsec and its subsidiaries that will, or is reasonably likely to, have a material adverse effect (of A$25 million or more) on the assets and liabilities, financial position and performance, profits and losses, value or prospects of Minsec and its subsidiaries taken as a whole, including as a result of making the Offer or the acquisition of Minsec Shares pursuant to the Offer. For these purposes, a "specified event" is:

(a) an event or occurrence that occurs during the Transaction Period;

(b) an event or occurrence that occurs before the Announcement Date but is only announced or publicly disclosed between the Announcement Date and the end of the Transaction Period; or

(c) an event or occurrence that will or is likely to occur following the Transaction Period and which has not been publicly announced prior to the Announcement Date,

which has a direct effect on the assets and liabilities, financial position and performance, profits and losses, value of the assets or prospects of Minsec and its subsidiaries but does not include a change in the market price of Minsec or any of the investments held by Minsec or its subsidiaries to the extent that it is attributable to an overall market condition affecting resource companies (or companies in the relevant minerals sector) in a similar manner or a correction or downturn in the market generally.

If an event of the nature described in paragraphs (a), (b) or (c) occurs, the parties may have regard (among other things) to the market prices of the investments affected by the event for the purpose of determining whether the minimum limit of A$25 million is exceeded.

9. No material acquisitions or disposals

That, except for any proposed transaction publicly announced by Minsec or otherwise disclosed to CopperCo or its Representatives before the Announcement Date, none of the following events occur during the period from the Announcement Date to the end of the Transaction Period:

(a) Minsec or a subsidiary of Minsec acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than A$25 million or makes an announcement in relation to such an acquisition, offer or agreement; or

(b) Minsec or a subsidiary of Minsec disposes of, offers to dispose of or agrees to dispose of any securities or interest in any of Platmin, CopperCo, Tianshan or the Lady Loretta Joint Venture, or makes an announcement in relation to such a disposition, offer or agreement.

10. No change of control rights

That, after the Announcement Date and before the end of the Transaction Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Minsec or any subsidiary of Minsec is a party, or by or to which Minsec or any subsidiary of Minsec or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Minsec or the Minsec Group taken as a whole, in:

(a) any monies borrowed by Minsec or any subsidiary of Minsec being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;

(b) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;

(c) the interest of Minsec or any subsidiary of Minsec in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or

(d) the business of Minsec or any subsidiary of Minsec with any other person being adversely affected,

as a result of the acquisition or proposed acquisition of Minsec Shares by CopperCo provided that CopperCo shall not be entitled to rely on this condition unless the event concerned will, or is reasonably likely to, have a material adverse effect (of A$25 million or more) on the assets and liabilities, financial position and performance, profits and losses, value or prospects of Minsec and its subsidiaries taken as a whole.

11. No change in control

That, prior to the end of the Transaction Period, no person (other than CopperCo or a member of the CopperCo Group) holds or acquires a Relevant Interest in 30% or more of the Minsec Shares.

12. Distributions and capital reductions

That, between the Announcement Date and the end of the Transaction Period, Minsec does not recommend, make or declare or announce an intention to make or declare any distribution (whether by way of dividend, special dividend, capital reduction or otherwise and whether in cash or in specie) other than any distribution which has been publicly announced by Minsec before the Announcement Date.

13. Prohibited occurrences

That, between the Announcement Date and the end of the Transaction Period, and except as publicly announced or disclosed to CopperCo by Minsec (including as part of the Due Diligence Material) prior to the Announcement Date, no member of the Minsec Group having:

(a) converted all or any of its shares into a larger or smaller number;

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(b) resolved to reduce its share capital in any way (other than the cancellation of the Minsec Treasury Shares) or entered into an agreement to buy-back its shares or resolved to approve the terms of such a buy-back agreement;

(c) issued or agreed to issue or authorised or proposed the issue of additional shares of any class or issued or authorised or proposed the issue of or granted securities convertible into or rights, warrants or options to subscribe for or acquire such shares or convertible securities or redeemed, purchased or reduced or announced any intention to do so or made any other change to any part of its share capital (save for the issue of Minsec Shares on the exercise of Minsec Share Options issued before the Announcement Date pursuant to the terms of those options, or upon the vesting of rights under the Minsec LTIP);

(d) authorised or announced its intention to propose any material merger, demerger, reconstruction or amalgamation or the creation of any mortgage, charge or security interest or other encumbrance in respect of any material right, title or interest in any shares or any material change in its share or loan capital;

(e) issued or authorised or proposed the issue of any debentures or securities or incurred or, save in the ordinary course of business, increased any material indebtedness or contingent or actual liability;

(f) entered into, or varied the terms of, any material contract or agreement with any of the directors or senior executives of Minsec, or of any other member of the Minsec Group, other than in the ordinary course of business;

(g) taken or proposed any corporate action (other than in respect of a member which is dormant and was solvent at the relevant time) or had any legal proceedings started or threatened or proposed against it for its winding-up, dissolution, striking off or reorganisation (or for any analogous proceedings or steps in any jurisdiction) or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues (or for any analogous proceedings or steps in any jurisdiction);

(h) waived or compromised or authorised any such waiver or compromise of any material claim other than in the ordinary course of business;

(i) made any amendment to its memorandum or articles of association;

(j) entered into any material contract, transaction or arrangement (other than in relation to the acquisition or disposal of assets) which is or may be restrictive on the business of any member of the Minsec Group or the CopperCo Group or which involves or will or could involve an obligation of a loss making, long term, onerous or unusual nature or magnitude;

(k) been unable or admitted in writing that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

(l) made or consented to any change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependents or to the benefits which accrue, or to the pensions which are payable thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined, or to the basis upon which liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, any change to the trustees;

(m) agreed to enter into or entered into any commitment, agreement or arrangement, or passed any resolution or made any offer (which remains open for acceptances), with respect to, or announced an intention to effect or to propose, any of the transactions, matters or events referred to in this paragraph 13; or

(n) taken any steps which will result in, or could reasonably be expected to result in, the withdrawal, cancellation, termination or adverse modification of any licence or permit held by any member of the Minsec Group which is or might reasonably be expected to be material in the context of the Minsec Group taken as a whole,

provided that CopperCo shall not be entitled to rely on this condition unless the event concerned will, or is reasonably likely to, have a material adverse effect (of A$25 million or more) on the assets and liabilities, financial position and performance, profits and losses, value or prospects of Minsec and its subsidiaries taken as a whole.

14. Platmin price

That the price of shares in Platmin, as traded on either AIM or TSX, does not close for 20 consecutive trading days, between the Announcement Date and the end of the Transaction Period, at a level which is 75% or less of the volume weighted average price of such shares over the 20 trading days prior to the Announcement Date.

15. Further Platmin acquisition

That Minsec does not complete any further acquisition of common shares in the capital of Platmin from CDC Group PLC (which acquisition was scheduled to occur on 11 February 2008) and as a result does not pay or incur any obligation to pay (or any other obligation to), CDC Group PLC pursuant to the agreement between those parties dated 9 November 2007 (as amended).

16. Macquarie Bank consent

That any consents required from Macquarie Bank pursuant to the senior facility agreement dated 3 May 2007 between, among others, CopperCo and Macquarie Bank, the ISDA master agreement dated on or about 3 May 2007 between Lady Annie Operations and Macquarie Bank and the subordinated debt facility agreement dated 3 May 2007 between, among others, CopperCo, Macquarie Bank and LinQ Capital Limited are forthcoming to allow the Offer to proceed without resulting in an event of default pursuant to any of these agreements.

CopperCo has received all necessary consents from Macquarie Bank.

CopperCo reserves the right to waive all or any of the above conditions in whole or in part, except the condition set out in paragraph 1 above. CopperCo shall be under no obligation to waive or treat as satisfied any of the other conditions by a date earlier than the latest date specified for the satisfaction thereof (or, if no such date is specified, the date when the Offer, if such be the case, shall

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become or be declared unconditional in all respects) notwithstanding that the other conditions of the Offer may, at an earlier date, have been waived or fulfilled and that there are, at such earlier date, no circumstance indicating that any of such conditions may not be capable of fulfillment.

The Offer will lapse unless the conditions set out above (other than the condition set out in paragraph 1 above) are fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by CopperCo to be or to remain satisfied no later than midnight on the twenty first day after the later of the first closing date of the Offer and the date on which the Offer becomes or is declared unconditional as to acceptances, or such later date as the Expert may agree.

If CopperCo is required to make an offer for Minsec Shares under provisions equivalent to Rule 9 of the City Code, CopperCo may make such alterations to any of the conditions (including, without limitation, the condition set out in paragraph 1 above) or any of the terms of the Offer as are necessary to comply with the provisions of that Rule.

If the Offer lapses, the Offer will cease to be capable of further acceptance and accepting Minsec Shareholders and CopperCo will thereupon cease to be bound by any acceptance form or electronic acceptance submitted before the time when the Offer lapses.

Section B: Further terms of the Offer

The following further terms apply, unless the context requires otherwise, to the Offer. Except where the context requires otherwise, any reference in Section B, Section C, Section D and Section E of this Part IV and (in respect of certificated Minsec Shares) in the Form of Acceptance and (in respect to the CDIs) in the CDI Acceptance Form to:

(a) the "acceptance condition" means the condition set out in paragraph 1 of Section A of this Part IV and references to "the Offer becoming unconditional as to acceptances" shall be construed accordingly;

(b) the "Offer" shall include any revision, variation or renewal thereof or extension thereto and shall also where the context requires include any election or alternative available in connection therewith;

(c) the "Offer becoming unconditional" means the Offer being declared or becoming unconditional as to acceptances whether or not any other condition thereof remains to be fulfilled;

(d) "Minsec Shareholders" means holders of Minsec Shares and shall include reference to the person or persons: (i) (in respect of certificated Minsec Shares) executing a Form of Acceptance; or (ii) (in respect of Minsec Shares held in CREST as UK DIs) making a CREST Electronic Acceptance; or (iii) (in respect of CDI Holders) executing a CDI Acceptance Form or otherwise accepting the Offer through the CDI Nominee; and, in the event of more than one person executing a Form of Acceptance, CDI Acceptance Form, or making a CREST Electronic Acceptance, the provisions of this Section B and, in relation to executing a Form of Acceptance only, Section C of this Part IV and, in relation to making a CREST Electronic Acceptance only, Section D of this Part IV and, in relation to CDI Holders only, Section E of this Part IV shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine;

(e) "acceptances of the Offer" includes deemed acceptances of the Offer;

(f) an "extension of the Offer" shall include an extension of the date by which the acceptance condition has to be fulfilled;

(g) "First Closing Date of the Offer" shall mean 10.00 a.m. (London time) on 1 August 2008;

(h) "Last Day for Release of Material New Information by CopperCo." shall mean 10.00 a.m. (London time) on 18 August 2008;

(i) "First Date Minsec Shareholders can Withdraw Acceptances" shall mean 10.00 a.m. (London time) on 22 August 2008;

(j) "Last Date CopperCo can Revise the Offer" shall mean 10.00 a.m. (London time) on 15 August 2008; and

(k) "Last Day the Offer can become Unconditional as to Acceptances" shall mean 10.00 a.m. (London time) on 1 September 2008.

1. Acceptance period

(a) The Offer will initially be open for acceptance until 10.00 a.m. (London time) on the First Closing Date of the Offer. CopperCo reserves the right (but will not be obliged, other than as may be required by the Minsec Constitution) at any time or from time to time to extend the Offer beyond the First Closing Date after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 2(b) below and will give oral or written notice of such extension to Computershare UK and Computershare Australia. If the Offer has not become unconditional by the First Closing Date of the Offer, CopperCo currently intends to extend the Offer until such time as the Offer becomes unconditional. There can be no assurance, however, that CopperCo will, in such circumstances, extend the Offer and, if no such extension is made, the Offer will lapse on the First Closing Date of the Offer, no Minsec Shares will be acquired pursuant to the Offer and no New CopperCo Shares will be issued pursuant to the Offer.

(b) Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 10 US Business Days following the date on which written notification of the revision is posted to Minsec Shareholders. Except with the consent of the Expert, no such written notification of the revision of the Offer may be posted to Minsec Shareholders after the Last Date CopperCo can Revise the Offer or, if later, the date falling 14 days prior to the last date on which the Offer can become unconditional.

(c) The Offer, whether revised or not, shall neither (except with the consent of the Expert) be capable of becoming unconditional as to acceptances after midnight (London time) on the Last Day the Offer can become Unconditional as to Acceptances (or any earlier time and/or date beyond which CopperCo has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) nor shall be kept open after that time and/or date unless it has previously become unconditional. However, CopperCo reserves the right, with the consent of the Expert, to extend the Offer to (a) later time(s) and/or date(s). Except with the consent of the Expert, CopperCo may not, for the purpose of determining whether the acceptance condition

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has been satisfied, take into account acceptances received, or purchases of Minsec Shares made, in respect of which relevant documents have been received by Computershare Australia, and/or Computershare UK, and/or TTE Instructions that have settled after 10.00 a.m. (London time) on the Last Day the Offer can become Unconditional as to Acceptances (or any earlier time and/or date beyond which CopperCo has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) or such later time and/or date as CopperCo may, with the permission of the Expert, decide. If the Offer is extended beyond midnight on the Last Day the Offer can become Unconditional as to Acceptances, acceptances received and purchases made in respect of which relevant documents have been received by Computershare Australia, and/or Computershare UK, and/or TTE Instructions that have been settled after 10.00 a.m. (London time) on the relevant date may (except where the Code otherwise permits) only be taken into account with the consent of the Expert.

(d) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated that the Offer will remain open until further notice, then not less than 14 calendar days' notice will be given prior to the closing of the Offer in writing to those Minsec Shareholders who have not accepted the Offer.

(e) If a competitive situation (as determined by the Expert) arises or material new information is announced by or on behalf of Minsec after the Last Day for Release of Material New Information by CopperCo or after CopperCo has made a "no extension" statement or a "no increase" statement, CopperCo may (if it has specifically reserved the right to do so at the time such statement was made, or otherwise with the consent of the Expert) choose not to be bound by or withdraw such statement and extend or revise the Offer provided that it complies with the requirements of the Code and, in particular, that: (i) it announces the withdrawal and that it is free to extend or revise this Offer (as appropriate) as soon as possible and in any event within four Business Days after the announcement of the competing offer or other competitive situation; (ii) notifies Minsec Shareholders to that effect in writing at the earliest opportunity or, in the case of Minsec Shareholders with registered addresses outside the United Kingdom, New Zealand, Hong Kong, the Republic of Ireland, Cyprus or Australia or whom CopperCo reasonably believes to be nominees, custodians or trustees holding Minsec Shares for such persons, by announcement in the United Kingdom and Australia at the earliest opportunity; and (iii) in the case of a competitive situation, any Minsec Shareholders who accepted the Offer after the date of such statement are given a right of withdrawal as described in paragraph 3(b) of this Section B.

CopperCo may (if it has reserved the right to do so) choose not to be bound by the terms of a "no increase" statement or a "no extension" statement if it would otherwise prevent the posting of an increased or improved Offer which is recommended for acceptance by the Independent Directors of Minsec, or in other circumstances permitted by the Expert.

(f) If a competitive situation arises and is continuing on the Last Day the Offer can become Unconditional as to Acceptances, CopperCo will enable UK DI Holders who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on the Last Day the Offer can become Unconditional as to Acceptances or such later date to which the Offer may be extended with the consent of the Expert. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that (i) it is received by Computershare UK on or before the Last Day the Offer can become Unconditional as to Acceptances; (ii) the relevant Minsec Shares to which such withdrawal relates shall not have been released from escrow before the Last Day (or such later date) the Offer can become Unconditional as to Acceptances by the escrow agent to the competing offer; and (iii) the Minsec Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in paragraph 14.1 of Part I of this document on or before the Last Day (or such later date) the Offer can become Unconditional as to Acceptances, but an undertaking is given that they will be so transferred as soon as possible thereafter. Minsec Shareholders wishing to use such forms of acceptance should apply to Computershare UK between 9.00 a.m. and 5.00 p.m. (London time) on the Business Day preceding the Last Day (or such later date) the Offer can become Unconditional as to Acceptances in order that such forms can be despatched. Notwithstanding the right to use such special form of acceptance, UK DI Holders may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

(g) For the purpose of determining at any particular time whether the acceptance condition has been satisfied, CopperCo shall not be bound to take into account any Minsec Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of conversion rights before such determination takes place, unless Computershare UK on behalf of CopperCo has received written notice of the relevant details of such allotment, issue or conversion (including the price thereof) before that time. Notification by email, telex, fax or other electronic transmission will not be sufficient for this purpose.

2. Announcements

(a) Without prejudice to paragraph 3(a) of this Section B, by 8.00 a.m. (London time) on the Business Day (the "relevant day") next following the day on which the Offer is due to expire or becomes or is declared unconditional as to acceptances, or is revised or extended, or such later time and/or date as the Expert may agree, CopperCo will make an appropriate announcement and simultaneously inform a Regulatory Information Service and the Company Announcements Office of the position. Such announcement will (unless otherwise permitted by the Expert) also state:

(i) the number of Minsec Shares for which acceptances of the Offer have been received, specifying the extent to which acceptances have been received from persons acting in concert or deemed to be acting in concert with CopperCo or in respect of Minsec Shares which were subject to an irrevocable commitment or a letter of intent procured by CopperCo or any of its associates;

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(ii) details of any Minsec Shares in which CopperCo or any person acting in concert with CopperCo has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;

(iii) details of any Minsec Shares in respect of which CopperCo or any of its associates has an outstanding irrevocable commitment or letter of intent, and

(iv) details of any Minsec Shares which CopperCo or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and the announcement will specify the percentages of Minsec Shares represented by these figures.

The announcement will also include a prominent statement of the total numbers of shares which CopperCo may count toward the satisfaction of its acceptance condition and will specify the percentages of Minsec Shares represented by these figures.

(b) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. (London time) on the relevant day (or such later time and/or date as the Expert may agree) and the announcement will state the next expiry time and date (unless the Offer is unconditional in which case a statement may be made that the Offer will remain open until further notice).

(c) In computing the number of Minsec Shares represented by acceptances and/or purchases for the announcement an acceptance or purchase will only be counted towards fulfilling the acceptance condition if the requirements of Notes 4, 5 and 6 (as applicable) of Rule 10 of the Code are satisfied (unless the Expert otherwise agrees). Subject to this, CopperCo may include or exclude for announcement purposes acceptances and purchases which are not complete in all respects or are subject to verification provided that such acceptances or purchases of Minsec Shares shall not be included unless they could be counted towards fulfilling the acceptance condition in accordance with paragraph 6(k) of this Section B.

(d) References in this Section B to the making of an announcement by or on behalf of CopperCo include the release of an announcement by public relations consultants to the press, and the delivery by hand or telephone, telex, fax or other electronic transmission of an announcement through a Regulatory Information Service or to the Company Announcements Office. An announcement made otherwise than through a Regulatory Information Service will be notified as soon as practicable through a Regulatory Information Service (unless otherwise agreed by the Expert).

3. Rights of withdrawal

(a) If CopperCo, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. on the relevant day as defined in paragraph 2(a) of this Section B of this Part IV (or such later time(s) and/or date as the Expert may agree) with any of the other relevant requirements specified in paragraph 2(a) of this Section B, an accepting Minsec Shareholder may (unless the Expert agrees otherwise) immediately thereafter withdraw his acceptance by written notice (signed by the accepting shareholder or his agent duly appointed in writing and evidence of whose appointment in a form reasonably satisfactory to CopperCo is produced with the notice) given by post or (during business hours) by hand to Computershare UK (in the case of Minsec Shares held in certificated form) or Computershare Australia (in the case of CDIs) on behalf of CopperCo. Alternatively, in the case of Minsec Shares held as UK DIs, withdrawals can also be effected in the manner set out in paragraph 3(f) of this Section B. Alternatively, in the case of Minsec Shares held as CDIs, withdrawals can also be effected in accordance with the ASTC Settlement Rules. Subject to paragraph 1(b) of this Section B, this right of withdrawal may be terminated not less than eight days after the relevant day by CopperCo confirming, if that be the case, that the Offer is still unconditional and complying with the other requirements specified in paragraph 2(a) of this Section B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(d) of this Section B will run from the date of such confirmation and compliance.

(b) If by 10.00 a.m. (London time) on the First Date Minsec Shareholders can Withdraw Acceptances (or such later time(s) and/or date(s) as the Expert may agree) the Offer has not become unconditional as to acceptances, an accepting Minsec Shareholder may withdraw his acceptance at any time thereafter, by written notice to Computershare UK (in the case of Minsec Shares held in certificated form) or Computershare Australia (in the case of CDIs) on behalf of CopperCo in the manner referred to in paragraph 3(a) of this Section B or, in respect of Minsec Shares held as UK DIs, in the manner referred to in paragraph 3(f) of this Section B or, in respect of Minsec Shares held as CDIs, in accordance with the ASTC Settlement Rules, before the earlier of: (i) the time when the Offer becomes unconditional; and (ii) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1(c) of this Section B.

(c) If CopperCo withdraws a "no extension" statement or a "no increase" statement in accordance with paragraph 1(e) of this Section B, any Minsec Shareholder who accepts the Offer after the date of such statement may withdraw his acceptance thereafter, in respect of Minsec Shares held in certificated form or as CDIs, in the manner referred to in paragraph 3(a) of this Section B or, in respect of Minsec Shares held as UK DIs, in the manner referred to in paragraph 3(f) of this Section B, or, in respect of Minsec Shares held as CDIs, in accordance with the ASTC Settlement Rules, not later than the eighth day after the date on which the notice of the withdrawal of such statement is posted to Minsec Shareholders.

(d) Except as provided by this paragraph 3 of this Section B, acceptances shall be irrevocable.

(e) In this paragraph 3, "written notice" (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Minsec Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment in a form reasonably satisfactory to CopperCo is produced with the notice). E-mail, telex,

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fax or other electronic transmission, or copies, will not be sufficient to constitute written notice. No notice which is postmarked in, or which otherwise appears to CopperCo, its agents or advisers to have been sent from a Restricted Jurisdiction will be treated as valid.

(f) In respect of Minsec Shares held as UK DIs (that is, in CREST), if withdrawals are permitted pursuant to paragraph 3(a), (b) or (c) of this Section B an accepting Minsec Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each CREST Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of Minsec Shares to be withdrawn;
- the corporate action ISIN number for the UK DIs held by the Minsec Shareholder VGG614341094;
- the member account ID of the accepting Minsec Shareholder;
- the participant ID of the accepting Minsec Shareholder;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent. This is MINCOP01 for the Offer and MINCOP02 for the Cash Election;
- the CREST Transaction ID of the CREST Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
- input with standard delivery instruction priority of 80;
- the intended settlement date for the withdrawal; and
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

Any such withdrawal will be conditional upon Computershare UK verifying that the withdrawal request is validly made. Accordingly, Computershare UK will on behalf of CopperCo reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

(g) Any Minsec Shareholder properly withdrawing his acceptance of the Offer shall, if relevant, be deemed equally to have withdrawn any acceptance of the Cash Election.

(h) As soon as practicable (and in any event within 14 days, or such longer period as the Expert may agree) following a Minsec Shareholder validly withdrawing his acceptance, Computershare UK will give TFE Instructions to Euroclear to transfer all Minsec Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original balances of the Minsec Shareholders concerned and, in respect of the Minsec Shares held in certificated form, Computershare UK will return all share certificates and/or other documents of title to the Minsec Shareholder involved and, in respect of Minsec Shares held as CDIs, Computershare Australia will take steps in accordance with the ASTC Settlement Rules.

(i) Minsec Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 of Section B may subsequently be re-assented to the Offer by following one of the procedures set out in paragraph 14 of Part I of this document at any time while the Offer remains open for acceptance.

(j) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by CopperCo (acting reasonably) whose determination (except as required by the Expert) will be final and binding. None of CopperCo, Minsec or any other person will be under any duty to give notification of any defects or irregulatories in any notice of withdrawal or incur any liability for failure to give such notification.

4. Revised Offer

(a) Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or nature of the consideration offered or otherwise) (which CopperCo reserves the right to do) and such revision represents on the date on which such revision is announced (on such basis as UBS may consider appropriate, acting reasonably) an improvement (or no diminution) in the value of the consideration under the Offer as so revised compared with the value of the consideration previously offered, the benefit of the revised Offer will (subject to this paragraph 4 and paragraph 7 of this Section B) be made available to Minsec Shareholders who have accepted the Offer in its original or any previously revised form(s) (hereinafter called "Previous Acceptor(s)"). The acceptance by or on behalf of a Previous Acceptor of the Offer (in its original or any previously revised form(s)) (and who has not validly withdrawn such acceptance) shall, subject as provided in this paragraph 4 and paragraph 7 of this Section B, be deemed to be an acceptance of the Offer as so revised and shall also constitute the separate appointment of any director or person authorised by CopperCo as his attorney and/or agent with authority to accept any such revised Offer on behalf of such Previous Acceptor.

(b) Although no such revision is envisaged, if any revised Offer provides for Minsec Shareholders who accept it to elect for (or accept) alternative forms of consideration, the acceptance by or on behalf of a Previous Acceptor of the Offer (in its original or any previously revised form(s)) shall, subject as provided below, also constitute the appointment of any director or person authorised by CopperCo as his attorney and/or agent to make on his behalf elections for and/or to accept such alternative forms of consideration on his behalf as such attorney and/or agent in his absolute discretion thinks fit and to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) as may be required to give effect to such acceptances and/or elections. In making any such acceptance or election, such attorney and/or agent shall take into account the nature of any previous acceptances and/or elections made by or on behalf of the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.

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(c) Although no revision is envisaged, if the Offer is revised, a revised offer document will be posted to Minsec Shareholders. On the day of posting, CopperCo will put the circular on display and announce that the document has been posted and where the document can be inspected. Where necessary, a circular containing the opinion of the Minsec Board on the revised offer will be posted to the Minsec Shareholders. On the day of posting, Minsec will put the circular on display and announce that the document has been posted and where the document can be inspected. The Minsec board will append to the circular containing its opinion on the revised offer, a separate opinion from the representatives of its employees on the effects of the revised offer on employment, provided such opinion is received in good time before publication of the Minsec board's circular.

(d) Although no revision is envisaged, if the revised offer document is posted to Minsec Shareholders, both CopperCo and Minsec will make the revised offer document readily and promptly available to the representatives of the employees of CopperCo and Minsec respectively or, where there are no such representatives, to the employees themselves. Minsec will make any circular posted by the Minsec Board to Minsec Shareholders readily and promptly available to its employees representatives or, where there are no such representatives, to the employees themselves.

(e) The deemed acceptances and elections referred to this paragraph 4 of this Section B shall not apply and the authorities conferred by paragraph 4 of this Section B shall not be exercised if as a result thereof a Previous Acceptor would (on such basis as UBS may consider appropriate) receive and/or retain (as appropriate) less in aggregate consideration than he would have received as a result of his acceptance of the Offer in the form in which it was originally accepted by him unless such Previous Acceptor has previously otherwise agreed in writing.

(f) The deemed acceptances and elections referred to in paragraphs 4(a) and 4(b) of this Section B shall not apply and the authorities conferred by paragraphs 4(a) and 4(b) of this Section B shall be ineffective to the extent that a Previous Acceptor: (i) in respect of Minsec Shares held in certificated form or as CDIs, lodges with Computershare UK or Computershare Australia (as applicable), within 14 days of the posting of the document pursuant to which any revision of the Offer referred to in this paragraph 4 of this Section B is made available to Minsec Shareholders, a Form of Acceptance or CDI Acceptance Form (as appropriate) or some other form issued by or on behalf of CopperCo in which he validly elects to receive the consideration receivable by him under that revised Offer in some other manner, or (ii) in respect of Minsec Shares held as CDIs on the CHESS sub-register so validly elects in accordance with the ASTC Settlement Rules, or (iii) in respect of Minsec Shares held as UK DIs (that is, in CREST), sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each CREST Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of UK DIs in respect of which the changed election is made;
- the corporate action ISIN number of Minsec Shares. This is VGG614341094;
- the member account ID of the Previous Acceptor;
- the participant account ID of the Previous Acceptor;
- the participant account ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent included in the relevant CREST Electronic Acceptance. This is MINCOP01 for the Offer and MINCOP02 for the Cash Election;
- the CREST Transaction ID of the CREST Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Offer;
- input with standard delivery instruction priority of 80; and
- in order that the desired change of election can be effected, it must include the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Computershare UK or, as appropriate, Computershare Australia, verifying that the request is validly made. Accordingly, Computershare UK or, as appropriate, Computershare Australia, will on behalf of CopperCo, reject or accept the requested change of election.

(g) The powers of attorney and authorities referred to in this paragraph 4 of this Section B and any acceptance of a revised Offer and/or election pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Section B and duly and validly does so.

(h) CopperCo reserves the right to treat an executed Form of Acceptance, CREST Electronic Acceptance or acceptance by a CDI Holder through the CDI Nominee relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or the issue of the Offer in any revised form as a valid acceptance in respect of the revised Offer and/or a valid election pursuant thereto and such acceptance shall constitute an authority and request in the terms of this paragraph 4 of this Section B *mutatis mutandis* on behalf of the relevant Minsec Shareholders.

5. Cash Election

(a) The Cash Election forms part of the Offer and is available to Unmarketable Parcel Holders (defined as a person recorded on Minsec's register of members as holding 442 Minsec Shares or less as at 26 June 2008 (5.00 p.m. Australian EST) and where such person continues to hold 442 Minsec Shares or less as at the date the Offer is declared unconditional in all respects) who may elect to receive the Cash Election and is conditional upon:

(i) the Offer becoming or being declared unconditional in all respects;

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(ii) receipt by Computershare UK or Computershare Australia (or their directors and/or agents) of a valid acceptance of the Offer duly completed and:

(A) in respect of the Minsec Shares in certificated form a validly completed Form of Acceptance accompanied by all the relevant share certificates(s) and/or other documents(s) of title; or

(B) in respect of UK DIs a TTE Instruction in favour of the Escrow Agent in accordance with the procedures set out in paragraph 14.1 of Part I of this document; or

(C) in respect of CDIs a validly completed CDI Acceptance Form or a valid electronic acceptance; and

(iii) the Unmarketable Parcel Holder not exercising any rights of withdrawal pursuant to paragraph 3 of this Part B.

(b) The Cash Election shall remain open to Unmarketable Parcel Holders for as long as the Offer remains open for acceptance. The Cash Election will lapse if the Offer lapses or expires.

(c) The CopperCo Nominee will use its reasonable endeavours to obtain the best price available for the Aggregated Holding but cannot make any guarantee as to the price it will obtain on the sale of the Aggregated Holding.

(d) The consideration received by the CopperCo Nominee for the Aggregated Holding will be distributed pro rata and despatched to Electing Unmarketable Parcel Holders within 40 days of the date the New CopperCo Shares are issued to the CopperCo Nominee on behalf of the Unmarketable Parcel Holder in accordance with paragraph 6(e) of this Section B.

Unmarketable Parcel Holders who hold their shares in certificated form or as UK DIs will receive their consideration in pounds sterling and Unmarketable Parcel Holders who hold their shares as CDIs will receive their consideration in Australian dollars. Any foreign exchange calculations will be at the prevailing market rate at or around the time that any consideration is distributed.

6. General

(a) Except with the consent of the Expert, the Offer will lapse unless all of the conditions to the Offer as set out in Section A of this Part IV have been satisfied by or (if capable of waiver) waived by or (where appropriate) have been determined by CopperCo in its reasonable opinion to be or remain satisfied by midnight on the later of the First Date Minsec Shareholders can Withdraw Acceptances and 21 days after the date on which the Offer becomes unconditional as to acceptances (whichever is the later) or such later date as CopperCo may, with the consent of the Expert, decide. If the Offer lapses for any reason:

(i) it will not be capable of further acceptance;

(ii) accepting Minsec Shareholders and CopperCo will cease to be bound by:

(A) in the case of Minsec Shares held in certificated form, Forms of Acceptances submitted;

(B) in the case of UK DIs, electronic acceptances inputted and settled; and

(C) in the case of Minsec CDIs, CDI Acceptance Forms or electronic acceptance submitted,

in each case before the Offer lapses;

(iii) neither CopperCo nor any person acting or deemed to be acting in concert with CopperCo for the purposes of the Offer may, pursuant to the Code make an offer (whether inside or outside the United Kingdom) for Minsec Shares for a period of one year following the date of such lapse, except with the consent of the Expert,

provided that CopperCo shall be under no obligation to waive or treat as satisfied any condition by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfillment. If the Offer lapses, for any reason, it shall cease to be capable of acceptance and CopperCo and Minsec Shareholders shall thereupon cease to be bound by prior acceptances.

(b) No acknowledgement of receipt of any Form of Acceptance, CDI Acceptance Form, transfer by means of CREST, share certificates or other documents will be given by CopperCo. All communications, notices, certificates, documents of title, other documents and remittances to be delivered by or to or sent to or from Minsec Shareholders (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such Minsec Shareholders (or their designated agent(s)) at their risk.

(c) The expression "Offer Period" when used in this document means the period commencing on 29 January 2008 and ending on whichever of the following dates shall be the latest:

(i) the First Closing Date of the Offer;

(ii) the date on which the Offer lapses; and

(iii) the date on which the Offer becomes unconditional as to acceptances.

(d) All references in this document, the Form of Acceptance and the CDI Acceptance Form to the First Closing Date of the Offer, shall (except in the definition of "Offer Period" above and where the context otherwise requires), if the expiry date of the Offer shall be extended, be deemed to refer to the expiry date of the Offer as so extended.

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(e) Subject to the provisions of paragraph 5(d) of this Section B, except with the consent of the Expert, settlement of the consideration to which any Minsec Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which CopperCo may otherwise be, or claim to be, entitled as against such Minsec Shareholder, and the settlement of consideration due to a Minsec Shareholder will (subject to paragraph 7 of this Section B below, and except with the consent of the Expert) be made in full not later than 14 days after the later of:

(i) the First Closing Date of the Offer;

(ii) the date the Offer becomes or is declared wholly unconditional; and

(iii) the date of receipt of an acceptance complete in all respects in accordance with the terms of the Offer.

No consideration in the form of CopperCo Shares will be sent to an address in a Restricted Jurisdiction.

(f) The Minsec Shares are to be acquired by CopperCo under the Offer fully paid up and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching now or hereafter to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid by Minsec.

(g) The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Form of Acceptance (in respect of Minsec shares held in certificated form), the CDI Acceptance Form (in respect of CDIs) and the CREST Electronic Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document shall, unless the context otherwise requires, have the same meanings when used in the Form of Acceptance (in respect of Minsec Shares held in certificated form), the CDI Acceptance Form (in respect of CDIs) and the CREST Electronic Acceptance. The provisions of this Part IV shall be deemed to be incorporated in the Form of Acceptance (in respect of Minsec Shares held in certificated form) and the CDI Acceptance Form (in respect of CDIs).

(h) The Offer, this document, the Form of Acceptance (in respect of Minsec Shares held in certificated form), the CDI Acceptance Form (in respect of CDIs) and all acceptances thereof and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law. Execution by or on behalf of an Minsec Shareholder of a Form of Acceptance (in respect of Minsec Shares held in certificated form) and a CDI Acceptance Form (in respect of CDIs) will constitute his submission, in relation to all matters arising out of or in connection with the Offer, this document, (in respect of Minsec Shares held in certificated form) the Form of Acceptance and (in respect of CDIs) the CDI Acceptance Form, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the rights of CopperCo to bring any action, suit or proceeding arising out of or in connection with the Offer, this document, (in respect of Minsec Shares held in certificated form) the Form of Acceptance and (in respect of CDIs) the CDI Acceptance Form in any other manner permitted by law or in any court of competent jurisdiction.

(i) Any omission or failure to despatch this document or the Form of Acceptance or the CDI Acceptance Form or any other document relating to the Offer and/or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 7 of this Section B of Part IV, the Offer is made to any Minsec Shareholders to whom this document, and (where appropriate) the Form of Acceptance or CDI Acceptance Forms and any related document may not be despatched or when such documents may not be received, and these persons may collect these documents at CopperCo's address set out on the front page of this document.

(j) Subject to the Code and paragraph 6(k) of this Section B below, and without prejudice to any other provision of this Part IV, CopperCo reserves the right to treat acceptances of the Offer and/or elections pursuant thereto as valid if received by or on behalf of CopperCo at any place or places or in any manner determined by CopperCo otherwise than as stated herein or (in respect of Minsec Shares held in certificated form) in the Form of Acceptance or (in respect of CDIs) in the CDI Acceptance Form or (in respect of Minsec Shares held as UK DIs) if the relevant TTE Instruction has not been settled. In the event, no New CopperCo Shares shall be issued until after the acceptance is entirely in order or indemnities satisfactory to CopperCo have been received.

(k) Notwithstanding the right reserved by CopperCo to treat acceptances as valid (even though (in respect of Minsec Shares held in certificated form) the Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except with the consent of the Expert: (i) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4, and if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; (ii) a purchase of Minsec Shares by CopperCo or its nominee(s) (or, if CopperCo is required to make an offer or offers under the provisions of Rule 9 of the Code, by a person acting in concert with CopperCo or its nominee(s) for the purpose of such offer(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and (iii) pursuant to Note 8 on Rule 10 of the Code Minsec Shares which have been borrowed by CopperCo may not be counted towards fulfilling the acceptance condition. The Offer may not be accepted, in relation to Minsec Shares held in certificated form, otherwise than by means of a Form of Acceptance.

(l) Except with the consent of the Expert, the Offer will not become unconditional until Computershare UK and Computershare Australia have jointly has issued a certificate to CopperCo (or their respective agents) which states the number of Minsec Shares in respect of which acceptances have been received which meet the requirements of Note 4 on Rule 10 of the Code

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and the number of Minsec Shares otherwise acquired (whether before or during the Offer Period) which meet the requirements of Note 5 on Rule 10 of the Code and, in each case, if applicable, Note 6 on Rule 10 of the Code. Copies of such certificate will be sent to the Expert and to CopperCo and UBS as soon as possible after it is issued.

(m) All mandates, instructions and other instruments in force relating to holdings of Minsec Shares will, unless and until amended or revoked, continue in force and be deemed to relate to payments and notices to or by CopperCo in respect of New CopperCo Shares issued. If a Minsec Shareholder holds existing CopperCo Shares, the mandates, instructions and instruments in force for CopperCo Shares shall supersede mandates, instructions and instruments of Minsec Shares.

(n) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Part IV or (in respect of Minsec Shares held in certificated form) in the Form of Acceptance or (in respect of Minsec Shares held as UK DIs) in the CREST Electronic Acceptance or (in respect of CDIs) in the CDI Acceptance Form are given by way of security for the performance of the obligations of the Minsec Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971, except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Section B and duly does so.

(o) The Offer extends to any Minsec Shareholders to whom this document, the Form of Acceptance (in respect of Minsec Shares held in certificated form), the CDI Acceptance Form (in respect of CDIs) and any related documents may not have been despatched or by whom such documents may not be received and such Minsec Shareholders may collect copies of those documents from Computershare UK or, in respect of CDIs, Computershare Australia. CopperCo reserve the right to notify any matter, including the making of the Offer, to all or any Minsec Shareholders with a registered address outside the United Kingdom or Australia (or whom CopperCo know to be nominees, trustees or custodians for such persons) by announcement in the United Kingdom or Australia or paid advertisement in a daily newspaper published and circulated in the United Kingdom or Australia, in which event such notice shall be deemed to have been sufficiently given notwithstanding any failure by a Minsec Shareholder to receive such notice and all references in this document to notice, or the provision of information in writing, by CopperCo and/or their respective agents and/or public relations consultants shall be construed accordingly.

(p) The Offer is made on 30 June 2008 and is capable of acceptance from and after that date. Forms of Acceptance (in respect of Minsec Shares held in certificated form) and CDI Acceptance Forms (in respect of CDIs) are available for collection from Computershare UK and Computershare Australia respectively.

(q) If the Offer does not become unconditional in all respects or lapses:

(i) in respect of Minsec Shares held in certificated form or as CDIs through an Issuer Sponsored Holding, any Form of Acceptance or, as applicable, CDI Acceptance Forms, share certificates and other documents of title will, at CopperCo's election, either; (a) be returned by post (or by such other method as may be approved by the Expert) within 14 days of the Offer lapsing to the person or agent whose name and address outside a Restricted Jurisdiction is set out in the relevant Box on the Form of Acceptance or CDI Acceptance Form or, if none is set out, to the first-named holder at his registered address outside a Restricted Jurisdiction. No such documents will be sent to an address in a Restricted Jurisdiction; or (b) be destroyed;

(ii) in respect of Minsec Shares held as UK DIs, Computershare UK will, immediately after the lapsing of the Offer (or within such longer period as the Expert may permit, not exceeding 14 days from the lapsing of the Offer), give instructions to Euroclear to transfer all the Minsec Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Minsec Shareholders concerned; and

(iii) in respect of Minsec Shares held as CDIs on the CHESS sub-register, Computershare Australia will immediately after the lapsing of the Offer take steps in accordance with the ASTC Settlement Rules to release acceptances.

(r) In relation to any acceptance of the Offer in respect of a UK DI or a CDI, CopperCo reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Expert.

(s) CopperCo intends, after the Offer is declared unconditional in all respects (provided always that the Offer has been accepted by holders holding not less than 80% of the Minsec Shares to which the Offer relates) to procure the making of an application by Minsec to the London Stock Exchange for the cancellation of the admission of Minsec Shares to trading on AIM and to the ASX for the cancellation of the quotation of the CDIs. If CopperCo acquires less than 100% of the Minsec Shares, it may take necessary action to acquire compulsorily or have redeemed the remaining Minsec Shares.

(t) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA instruction or a CREST Electronic Acceptance shall be the time that the relevant instruction settles in CREST.

(u) All references in this Part IV to the return or dispatch of documents by post shall extend to the return or dispatch by such method as the Expert may approve. This will be at the risk of the Minsec Shareholder concerned.

(v) All references in this Part IV to any statute or statutory provision shall include any statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

(w) Between the date of this document and the Offer being capable of acceptance, if Computershare Australia receive any requests from Minsec Shareholders to transfer between the registers of shareholders held in the UK and Australia they will be dealt with in the usual manner; except that all requests for transfers must be received by Computershare UK or Computershare Australia 5 business days before any closing date of the Offer if the relevant Minsec Shareholder wants to accept the Offer on the register they wish to transfer to.

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7. Overseas Minsec Shareholders

(a) The making of the Offer to Overseas Shareholders and the availability of the New CopperCo Shares to such persons may be prohibited or affected by the laws or regulatory requirements of the relevant overseas jurisdiction. No person receiving a copy of this document in any territory other than the UK, Australia, New Zealand, Hong Kong, the Republic of Ireland, Cyprus and (if such person is an "accredited investor" as defined in Regulation D) the United States may treat the same as constituting an offer or invitation to him nor should he in any event use the Form of Acceptance (in respect of Minsec Shares held in certificated form), or send to Euroclear a CREST Electronic Acceptance and/or CREST Cash Electronic Acceptance, or the CDI Acceptance Form (in respect of CDIs), unless, in the relevant territory, such an offer or invitation could lawfully be made to him and such Form of Acceptance (in respect of Minsec Shares held in certificated form) or the CDI Acceptance Form (in respect of CDIs), or the submission to Euroclear of a CREST Electronic Acceptance and/or CREST Cash Electronic Acceptance, could lawfully be used without contravention of any registration or other legal or regulatory requirements. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any Overseas Shareholder will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction by whomsoever payable and CopperCo and any person acting on their behalf shall be fully indemnified and held harmless by such shareholder for any such issue, transfer or other taxes or other requisite payments as CopperCo and any person acting on their behalf may be required to pay.

If you are an Overseas Shareholder and you are in doubt about your position, you should consult your legal adviser in the relevant jurisdiction.

(b) In particular, the Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who also agree to resell the New CopperCo Shares only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New CopperCo Shares or passed an opinion on the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.** Moreover, the Offer is not being made, directly or indirectly, in or into or from a Restricted Jurisdiction or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of national securities exchange of, any Restricted Jurisdiction. The Offer is not capable of acceptance by any such use, means or instrumentality or facilities or from or within any Restricted Jurisdiction.

The New CopperCo Shares to be issued in connection with the Offer have not been, and will not be, registered under the Securities Act or under the securities laws of any state, district or other jurisdiction of the United States. The New CopperCo Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration under the Securities Act or an exemption from the registration requirements.

The New CopperCo Shares to be issued pursuant to the Offer have not been and will not be registered under the Securities Act or under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, New CopperCo Shares may not be, directly or indirectly, offered, sold or delivered in or into any Restriction Jurisdiction or to or for the account or benefit of any person located in any Restricted Jurisdiction.

(c) Copies of this document, the Offer Document, the Form of Acceptance (in respect of Minsec Shares held in certificated from) or the CDI Acceptance Form (in respect of CDIs) and any other documents relating to the Offer are not being and must not be, directly or indirectly, mailed or otherwise forwarded, transmitted, distributed or sent in or into or from any Restricted Jurisdiction including to Minsec Shareholders with registered addresses in any Restricted Jurisdiction or to persons whom CopperCo knows to be nominees, trustees or custodians holding Minsec Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not, directly or indirectly, distribute or send them in, into or from any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Offer and doing so may invalidate any related purported acceptance of the Offer even if mailed from outside any Restricted Jurisdiction. Persons wishing to accept the Offer should not use such mails or any such means, instrumentality of facility for any purpose directly or indirectly related to acceptance of the Offer. Envelopes containing Forms of Acceptance or the CDI Acceptance Forms, evidence of title or other documents relating to the Offer must not be postmarked in any Restricted Jurisdiction or otherwise despatched from any Restricted Jurisdiction and all acceptors must provide addresses outside any Restricted Jurisdiction for the remittance of any certificates for New CopperCo Shares or return of Forms of Acceptance or the CDI Acceptance Forms, share certificate(s) and/or other document(s) of title.

(d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any persons (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance, the CDI Acceptance Form or any other documents in relation to the Offer in, into or from any Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction in connection with such forwarding, such person should:

(i) inform the recipient of such fact,

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(ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and

(iii) draw the attention of the recipient to this paragraph 7 of this Section B.

(e) Notwithstanding the above, CopperCo may in its sole discretion provide cash consideration to a US person or a resident of a Restricted Jurisdiction if requested to do so by or on behalf of that person if CopperCo is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of the United States or any other Restricted Jurisdiction, as appropriate. During the pendency of the Offer, however, CopperCo may not purchase Minsec Shares other than pursuant to the Offer.

(f) A Minsec Shareholder will be deemed not to have validly accepted the Offer if:

(i) he puts "No" in Box 5 of the Form of Acceptance (in respect of Minsec Shares held in certificated form) and thereby does not give the representation and warranty set out in paragraph (c) of Section C of this Part IV;

(ii) he completes Box 1 of the Form of Acceptance (in respect of Minsec Shares held in certificated form) or annotates the CDI Acceptance Form (in respect of CDIs) with an address in any Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in either case he does not insert in Box 7 of the Form of Acceptance or annotates the CDI Acceptance Form with the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to this paragraph 7 and applicable laws;

(iii) he inserts in Box 7 of the Form of Acceptance (in respect of Minsec Shares held in certificated form) or annotates the CDI Acceptance Form (in respect of CDIs) with the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under or in consequence of the Offer to be sent;

(iv) any Form of Acceptance (in respect of Minsec Shares held in certificated form) or CDI Acceptance Form (in respect of CDIs) received from him is received in an envelope postmarked in, or which otherwise appears to CopperCo or its agents to have been sent from a Restricted Jurisdiction;

(v) he makes a Restricted Escrow Transfer pursuant to paragraph 7(i) below unless he also makes a related Restricted ESA instruction which is accepted by Computershare UK;

(vi) he puts "No" in Box 6 of the Form of Acceptance (in respect of Minsec Shares held in certificated form) and thereby does not give the representation and warranty set forth in paragraph (n) of Section C of this Part IV;

(vii) he puts "Yes" in Box 6 of the Form of Acceptance (in respect of Minsec Shares held in certificated form) but he is unable to make the representation and warranty set forth in paragraph (n) of Section C of this Part IV;

(viii) he does not sign the CDI Acceptance Form; or

(ix) he is unable to make the representations and warranties set forth in (as the case may be) paragraphs (c) and (p) of Section D (in respect of DIs), or paragraphs (c) and (n) of Section E (in respect of CDIs) of this Part IV.

CopperCo reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representation and warranty set out in paragraphs (c) and (n) of Section C of this Part IV or (as the case may be) paragraphs (c) and (p) of Section D or paragraphs (c) and (n) of Section E of this Part IV could have been truthfully given by the relevant Minsec Shareholder and, if such investigation is made and, as a result, CopperCo cannot satisfy itself that such representation and warranty was true and correct, such acceptance shall not be valid.

(g) The provisions of this paragraph 7 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Minsec Shareholder(s) or on a general basis by CopperCo in its absolute discretion. In particular, without limitation, CopperCo reserves the right:

(i) to permit the Offer to be accepted by, to issue or deliver any document(s) of title to an Overseas Shareholder, or (in respect of Minsec Shares held as UK DIs,) the crediting of the appropriate stock account of an Overseas Shareholder (otherwise unable to accept the Offer in accordance with the above) in circumstances in which CopperCo is satisfied that acceptance by such Minsec Shareholder and the issue or delivery of any documents of title to, or (in respect of Minsec Shares held as UK DIs) the crediting of the appropriate stock account of, such Minsec Shareholder will not constitute a breach of any securities or other relevant legislation or impose obligations on CopperCo not contemplated by the Offer (and, in any such case, CopperCo may impose reasonable additional requirements and restrictions on such acceptance and the documents of title issued and/or crediting appropriate stock accounts); or

(ii) to arrange for the sale or allotment of New CopperCo Shares to which Overseas Shareholders may otherwise be entitled pursuant to the Offer or Part IX of the BVI Business Companies Act 2004 and to remit the cash proceeds of such sale or allotment, net of expenses (including, without limitation, any liability to stamp duty or stamp duty reserve tax), to such Overseas Shareholders instead.

CopperCo shall have no obligations whatsoever in relation to the timing of such sales or allotments or the price obtained and such sales or allotments may be made individually or together with other shares to which such provisions apply. In such circumstances, any signed Form of Acceptance (in respect of Minsec Shares held in certificated form) received or any CREST Electronic Acceptance made (in respect of Minsec Shares held as UK DIs) and CDI Acceptance Form (in respect of CDIs) pursuant to the Offer shall constitute the irrevocable appointment of CopperCo or any director of CopperCo as the relevant Minsec Shareholder's agent to effect such sale as his agent, with full power (including powers of delegation) to do all such things as may be necessary or desirable for or ancillary to such purpose. Subject thereto, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent herewith.

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(h) Neither CopperCo nor any agent or director of CopperCo nor its advisers or any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out in this paragraph 7 or otherwise in connection therewith.

(i) If a Minsec Shareholder holding UK DIs is unable to give the representation and warranty set out in paragraph (c)(i) or (ii) of Section D of this Part IV, but nevertheless can produce evidence satisfactory to CopperCo that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:

(i) a TTE Instruction to a designated escrow balance detailed below (a "Restricted Escrow Transfer"); and

(ii) one or more valid ESA instructions (a "Restricted ESA Instruction").

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction settle in CREST and CopperCo decides in its absolute discretion to exercise its right, described in paragraph 7(g) above to waive, vary or modify the terms of the Offer related to Overseas Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph 1 of Section B of this Part IV. If CopperCo accordingly decides to permit such acceptance to be made, Computershare UK will on behalf of CopperCo accept the purported acceptance as a CREST Electronic Acceptance on the terms of this document as so waived, varied or modified by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise Computershare UK will on behalf of CopperCo reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the corporate action ISIN number for the UK DIs. This is VGG614341094;
- the number of Minsec Shares in respect of which you wish to accept the Offer (i.e. the number of Minsec Shares to be transferred to an escrow balance);
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date. This should be as soon as possible any in any event not later than 10:00 a.m. (London time) on the First Closing Date of the Offer;
- the corporate action number for the Offer which will be allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and settle include the following details:

- the corporate action ISIN number for the Minsec Shares. This is VGG614341094;
- the number of Minsec Shares relevant to that Restricted ESA Instruction;
- your participant ID;
- your member ID;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the member account ID of the Escrow Agent. This is MINCOP01;
- the CREST Transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates to be inserted at the beginning of the share not field;
- the intended settlement date. This should be as soon as possible and in any event not later than 10:00 a.m. (London time) on the First Closing Date of the Offer;
- the corporate action number for the Offer;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number inserted in the shared note field.

(j) CopperCo reserves the right not to notify any matter, including the making of the Offer to all or any Minsec Shareholders:

(i) with a registered address outside the United Kingdom and Australia; or

(ii) whom CopperCo knows to be a custodian, trustee or nominee holding Minsec shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom, Australia or a Restricted Jurisdiction through a Regulatory Information Service or in any of the appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspaper published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any Minsec

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Shareholder to receive or see that advice. A reference in this document to a notice or the provision of information in waiting by or on behalf of CopperCo is to be construed accordingly. No such document will be sent to an address in any other Restricted Jurisdiction.

(k) If any Minsec Shareholder gives notices withdrawing his acceptance in accordance with paragraph 3 of this Section B of Part IV and such notice is received in an envelope postmarked in, or otherwise appears to CopperCo or its agents (acting reasonably) or have been sent from, any Restricted Jurisdiction and CopperCo reserves the right, in its absolute discretion, to treat that notice as invalid.

Section C : Form of Acceptance – certificated holdings

Without prejudice to the terms of the Form of Acceptance and the provisions of Section A and B of this Part IV, each Minsec Shareholder who holds Minsec Shares in certificated form by whom, or on whose behalf, a Form of Acceptance is executed and lodged with Computershare UK (subject to the right of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with CopperCo and Computershare UK and their respective agents (so as to bind him, his personal representatives and his heirs, successors and assigns) that:

(a) whether or not any other Boxes of the Form of Acceptance are completed, the execution of the Form of Acceptance shall constitute:

(i) an acceptance or deemed acceptance of the Offer in respect of all of the Minsec Shares in certificated form held by that Minsec Shareholder;

(ii) if the Minsec Shareholder is a Unmarketable Parcel Holder and places a cross in Box 3 of the Form of Acceptance, an acceptance of the Cash Election; and

(iii) an authority to CopperCo and their respective agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable CopperCo to obtain the full benefit of the acceptance and/or perfect any of the authorities expressed to be given hereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject to the rights of withdrawal set out in paragraph 3 of Section B of this Part IV, each such acceptance shall be irrevocable provided that: if the Form of Acceptance is otherwise completed incorrectly but the Form of Acceptance is signed, it will be deemed to be an acceptance of the terms of the Offer in respect of all of the Minsec Shares in certificated form comprised in the Form of Acceptance;

(b) such Minsec Shareholder is entitled to dispose of the Minsec Shares in certified form in respect of which the Offer is accepted or deemed to be accepted and that the Minsec Shares in respect of which the Offer is accepted or deemed to be accepted are sold with full title guarantee and fully paid free from all liens, charges, equities, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto on or after 29 January 2008, including, without limitation, voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or payable on or after 29 January 2008;

(c) unless "NO" is put in Box 5 of the Form of Acceptance, such Minsec Shareholder:

(i) has not received, sent or otherwise distributed, directly or indirectly, any copies or originals of this document, the Form of Acceptance or any related documents in, into or from any Restricted Jurisdiction;

(ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, email, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction;

(iii) is accepting the Offer from outside any Restricted Jurisdiction;

(iv) was outside any Restricted Jurisdiction when the relevant Form of Acceptance was sent and at the time of the Offer;

(v) in respect of the Minsec Shares to which his acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside any Restriction Jurisdiction;

(vi) is not an overseas person in any Restricted Jurisdiction;

(vii) if he is not a citizen, resident or national of the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus, has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties from him, in each case in connection with such acceptance in any jurisdiction and that he has not taken or omitted to take any action which will or may result in CopperCo or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;

(d) the execution of the Form of Acceptance and its delivery constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Minsec Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of each of CopperCo and/or any of their respective directors or agents as such Minsec Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent, to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent in relation to the Minsec Shares referred to in paragraph (a)(i) above in favour of CopperCo or such other person or persons as CopperCo may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent, together with the share certificate(s) and/or other document(s) relating to such Minsec Shares, for registration within six months of the

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Offer becoming unconditional in all respects and to execute all such documents and to do all such other acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer (and where relevant the Cash Election) pursuant to the Form of Acceptance and to vest in CopperCo or its nominee(s) or as it may direct such Minsec Shares;

(e) the execution and delivery of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Minsec Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:

(i) to Minsec or its agents, to procure the registration of the transfer of the Minsec Shares in certificated form referred to in paragraph (a)(i) above pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to CopperCo or as it may direct;

(ii) (subject to the provisions of paragraph 7 of Section B of this Part IV) to CopperCo or its agents, to procure that either:

(A) such Minsec Shareholder's name is entered on the register of members of CopperCo in respect of the New CopperCo Shares (if any) to which such Minsec Shareholder becomes entitled under the Offer (subject to the Constitution); or

(B) upon receipt by the Registrar of a valid acceptance of the Cash Election the CopperCo Nominee's name to be entered on the register of members of CopperCo in respect of the aggregate of any New CopperCo Shares (if any) to be issued to Electing Unmarketable Parcel Holders;

(iii) to CopperCo or their respective agents, to procure the despatch by post (or by such other method as may be approved by the Expert) of (subject to the provisions of paragraph 7 of Section B of this Part IV) a certificate or other document(s) of title for any New CopperCo Shares and/or a cheque to which an accepting Minsec Shareholder becomes entitled pursuant to his acceptance of the Offer (and at the risk of such person) to the person whose name and address (outside a Restricted Jurisdiction) is set out in Box 6 of the Form of Acceptance or, if none is set out, to the person whose name and address (outside a Restricted Jurisdiction) is set out in Box 4 of the Form of Acceptance or to the first-named holder at his registered address (outside a Restricted Jurisdiction);

(iv) to CopperCo or its agents, to record and act, in respect of any New CopperCo Shares to be received by such Minsec Shareholder, upon any instructions with regard to payments or notices which have been recorded in the records of Minsec in respect of such Minsec Shareholder's holding(s) of Minsec Shares as if such mandates had been given in respect of his holdings of (where applicable) CopperCo Shares;

(v) upon receipt by the Registrar of a valid Cash Election to the CopperCo Nominee to procure the sale of the aggregated holding of the Electing Unmarketable Parcel Holders;

(vi) upon receipt by the Registrar of a valid Cash Election to the CopperCo Nominee and/or the Registrar to distribute the gross proceeds of sale of the aggregated holding of the Electing Unmarketable Parcel Holders *pro-rata* to the Electing Unmarketable Parcel Holders and despatch the consideration by cheque in accordance with paragraph 5(d) of Section B of this Part IV;

(f) in relation to Minsec Shares held in certificated form, the execution of the Form of Acceptance constitutes a separate authority to any director of CopperCo and/or their respective agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 6(n) of Section B of this Part IV;

(g) after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Expert otherwise gives its consent in respect of Minsec Shares in respect of which the Offer has been accepted, which acceptance has not been validly withdrawn) and pending registration:

(i) CopperCo shall be entitled to direct the exercise of any votes attaching to any Minsec Shares held in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and any other rights and privileges attaching to such Minsec Shares, including the right to requisition a general meeting or separate class meeting of Minsec, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

(ii) the execution of the Form of Acceptance by a Minsec Shareholder constitutes, with regard to the Minsec Shares held in certificated form comprised in such acceptance:

(A) an authority to Minsec and/or its agents from such Minsec Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Minsec (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Minsec Shares into certificated form) to CopperCo at Computershare UK;

(B) the irrevocable appointment of CopperCo or any of its directors or agents to sign such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Minsec Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or to execute a form of proxy in respect of such Minsec Shares appointing any person nominated by CopperCo to attend general or separated class meetings of Minsec or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Minsec Shares on his behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

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(C) the agreement of such Minsec Shareholder not to exercise any of such rights without the consent of CopperCo and the irrevocable undertaking of such Minsec Shareholder not to appoint a proxy or representative for or to attend such meetings (or any adjournment thereof);

(h) he will deliver, or procure the delivery of, to Computershare UK, his share certificate(s) and/or other document(s) of title in respect of the Minsec Shares referred to in sub-paragraph (a)(i) above (which are held in certificated form), or an indemnity acceptable to CopperCo in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects and will execute any further documents, do such acts and give any further assurances that may be required in connection with his acceptance of the Offer;

(i) the terms and conditions of the Offer shall be deemed to be incorporated into and form part of the Form of Acceptance, which shall be read and construed accordingly;

(j) if he accepts the Offer, he shall do all such acts and things as shall be necessary or expedient to vest in CopperCo or its nominees or such other persons as it may decide the Minsec Shares as aforesaid;

(k) he agrees to ratify each and every act or thing which may be done lawfully or effected by CopperCo or Computershare UK or by any of their respective directors or agents or Minsec or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Section B or in this Section C of this Part IV;

(l) in relation to Minsec Shares held in certificated form, the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right to CopperCo to bring any action, suit or proceeding arising out of or in connection with the Offer in any court of competent jurisdiction or in any other manner permitted by law;

(m) if any provision of Section B or of this Section C of Part IV shall be unenforceable or invalid or shall not operate so as to afford CopperCo and/or Computershare UK and/or any director or agent of any of them the full benefit of the authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable CopperCo and/or Computershare UK and/or any director or agent of any of them to secure the full benefit of such authorities and powers of attorney; and

(n) if the Offer was accepted from within the United States or such Minsec Shareholder is a US Person, unless "No" is put in Box 6 of the Form of Acceptance, he:

(i) is an "accredited investor" as defined in Regulation D;

(ii) acknowledges that the New CopperCo Shares are "restricted securities" within the meaning of the Securities Act and will be issued to such Minsec Shareholder based in part on the representation and warranty set forth in this paragraph (n);

(iii) acknowledges and agrees that the Company will not grant to such Minsec Shareholder any rights to cause the resale or re-offer of the New CopperCo Shares to be registered pursuant to the Securities Act;

(iv) agrees to resell the New CopperCo Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act;

(v) acknowledges and agrees that, if the New CopperCo Shares are at any time issued in certificated form, any such certificates would bear a restrictive legend to the following effect to ensure compliance with the Securities Act:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*ACT*"), AND HAVE BEEN OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT. SUCH SECURITIES MAY NOT BE REOFFERED FOR SALE OR RESOLD OR OTHERWISE TRANSFERRED UNLESS ONLY IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S, PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN EXEMPTION FROM OR A TRANSACTION NOT SUBJECT TO REGISTRATION UNDER THE ACT."

(vi) can bear the economic risk of his investment; has such knowledge and experience in financial or business matters such that he is capable of evaluating the merits and risks of the investment in the New CopperCo Shares; can bear the economic risk of this investment; and was not organized for the purpose of acquiring the New CopperCo shares; and

(vii) the New CopperCo Shares will be acquired by the Minsec Shareholder for investment for his own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that he has no present intention of selling, granting any participation in, or otherwise distributing the same, and does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the New CopperCo Shares.

On execution, the Form of Acceptance shall take effect as a Deed.

References in this Section C to a Minsec Shareholder shall include references to the person or persons executing a Form of Acceptance, in relation to Minsec Shares held in certificated form, and, in the event of more than one person executing a Form of Acceptance, the provisions of this Section C shall apply jointly and to each of them. References to the masculine gender shall include the feminine.

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Section D : CREST Electronic Acceptances

Without prejudice to the provisions of Section A and B of this Part IV, each Minsec Shareholder who holds Minsec Shares as UK DIs (that is, in CREST) by whom, or on whose behalf, a CREST Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with CopperCo and Computershare UK and their respective agents (so as to bind him and his executors, personal representatives, heirs, successors and assigns) that:

(a) the CREST Electronic Acceptance shall constitute:

(i) an acceptance of the Offer in respect of the number of Minsec Shares held as UK DIs to which a TTE Instruction relates;

(ii) if the Minsec Shareholder is a Unmarketable Parcel Holder, the CREST Cash Election Electronic Acceptance shall further constitute an acceptance of the Cash Election;

(iii) an authority to CopperCo and their respective agents to execute any documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable CopperCo to obtain the full benefit of the acceptance and/or perfect any of the authorities expressed to be given hereunder; and

(iv) a representation and warranty that he is the beneficial owner of the number of Minsec Shares to which the TTE Instruction relates or, if he is not, he is irrevocably and unconditionally entitled to transfer such Minsec Shares in uncertificated form and that the entire beneficial interest therein will be acquired under the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to paragraph 3 of Section B of this Part IV, such acceptance and/or election shall be irrevocable;

(b) the Minsec Shares held as UK DIs in respect of which the Offer is accepted or deemed to be accepted and that the Minsec Shares in respect of which the Offer is accepted or deemed to be accepted are sold with full title guarantee and fully paid free from all liens, charges, equities, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto on or after 29 January 2008, including, without limitation, voting rights and the right to receive and retain all dividends an other distributions (if any) declared, made or payable on or after 29 January 2008;

(c) such Minsec Shareholder:

(i) has not received, sent or otherwise distributed, directly or indirectly, any copies or originals of this document, the Form of Acceptance or any related documents in, into or from any Restricted Jurisdiction;

(ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, email, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction; and no TTE Instruction has been sent from any Restricted Jurisdiction;

(iii) is accepting the Offer from outside any Restricted Jurisdiction;

(iv) was outside any Restricted Jurisdiction at the time of the input and settlement of the relevant TTE Instruction(s) and at the time of accepting the Offer;

(v) in respect of the Minsec Shares held as UK DIs to which a CREST Electronic Acceptance relates, he is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an unauthorised employee of such principal or such principal has given any instructions with respect of the Offer from outside any Restricted Jurisdiction;

(vi) is not an overseas person in any Restricted Jurisdiction;

(vii) if he is not a citizen, resident or national of the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties due from him, in each case in connection with such acceptance in any jurisdiction and that he has not taken or omitted to take any action which will or may result in CopperCo or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof,

provided that the warranties and representations above shall be deemed not to be given if such Minsec Shareholder purports to accept the offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA instruction pursuant to paragraph 7(i) of Section B of this Part IV;

(d) the CREST Electronic Acceptance and if relevant the CREST Cash Election Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Minsec Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of each of CopperCo and/or any of their respective directors or agents as such Minsec Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent to do all such acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer (and where relevant the Cash Election) and vest in CopperCo or its nominee(s) such Minsec Shares (referred to in paragraph (a)(i) of this Section D (the "CREST Electronic Acceptance Shares"));

(e) the CREST Electronic Acceptance constitutes the irrevocable appointment of Computershare UK as such Minsec Shareholder's attorney and/or agent and an irrevocable instruction and authority to the attorney and/or agent:

(i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Minsec Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as CopperCo or its agents may direct by means of CREST all or any of the Minsec Shares held as UK DIs in respect of which the Offer is accepted or deemed to be accepted); and

(ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Expert may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all such Minsec Shares to the original available balance of the accepting Minsec Shareholder;

(f) the CREST Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Minsec Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:

(i) (subject to the provisions of paragraph 7 of Section B of this Part IV and sub-paragraph (g) below) to CopperCo or its agents, to procure that such Minsec Shareholder's name is entered on the register of members of CopperCo in respect of the New CopperCo Shares to which such Minsec Shareholder becomes entitled under the Offer (subject to the Constitution); and

(ii) to CopperCo or its agents, to record and act in respect of any New CopperCo Shares to be received by such Minsec Shareholder upon any instruction with regard to payment or notices which have been recorded in the records of Minsec in respect of such Minsec Shareholder's holdings of Minsec Shares as if such mandates have been given in respect of its holdings of (where applicable) CopperCo Shares;

(g) in relation to UK DIs, the CREST Cash Election Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Minsec Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:

(i) (subject to the provisions of paragraph 5 of Section B of this Part IV) to CopperCo or its agents to procure that the CopperCo Nominee's name is entered on the register of members of CopperCo in respect of the aggregate of any New CopperCo Shares (if any) to be issued to Electing Unmarketable Parcel Holders;

(ii) to the CopperCo Nominee to procure the sale of the aggregated holding of the Electing Unmarketable Parcel Holders;

(iii) to the Registrar to distribute the gross proceeds of sale of the aggregated holding of the Electing Unmarketable Parcel Holders *pro-rata* to the Electing Unmarketable Parcel Holders and despatch the consideration by crediting the relevant CREST Account in accordance with paragraph 5(d) of Section B of this Part IV;

(h) the CREST Electronic Acceptance constitutes a separate authority to CopperCo and/or any of their respective directors or agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 6(n) of Section B of this Part IV in respect of the CREST Electronic Acceptance Shares;

(i) after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Expert otherwise gives its consent) and pending registration:

(i) CopperCo or its agents shall be entitled to direct the exercise of any votes attaching to Minsec Shares held as UK DIs in respect of which the Offer has been accepted or is deemed to have been accepted (and in respect of which such acceptance has not been validly withdrawn) and any other rights and privileges attaching to such Minsec Shares, including the right to requisition a general meeting or separate class meeting of Minsec, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer;

(ii) a CREST Electronic Acceptance by a Minsec Shareholder constitutes, with regard to the Minsec Shares held as UK DIs comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:

(A) an authority to Minsec and/or its agents from such Minsec Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Minsec (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Minsec Shares into certificated form) to CopperCo at its registered office;

(B) the irrevocable appointment of CopperCo or any of its directors or agents to sign any such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Minsec Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or execute a form of proxy in respect of such Minsec Shares appointing any person nominated by CopperCo to attend general or separate class meetings of Minsec or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Minsec Shares on his behalf) such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer;

(C) the agreement of such Minsec Shareholder not to exercise any of such rights without the consent of CopperCo and the irrevocable undertaking of such Minsec Shareholder not to appoint a proxy or representative for or to attend any such meetings; and

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(iii) a CREST Cash Election Electronic Acceptance by a Unmarketable Parcel Holder constitutes, with regard to the Minsec Shares held as UK DIs comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn, the irrevocable appointment of CopperCo or any of its directors or agents to sign any such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or execute a form of proxy in respect of such Minsec Shares appointing any person nominated by CopperCo to attend general or separate class meeting of Minsec or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Minsec Shares on his behalf) such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer;

(j) if, for any reason any Minsec Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 14.1(b) of Part I of this document are converted in certificated form, he will (without prejudice to sub-paragraph (i)(ii)(A) above of this Section D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Minsec Shares as so converted to Computershare UK at the address specified on page 15 of this document or to CopperCo at its registered office or as CopperCo or its agent may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Section C of this Part IV in relation to such Minsec Shares without prejudice to the application of this Section D so far as CopperCo deems appropriate;

(k) if he accepts the Offer he shall do all such acts and things as shall be necessary or expedient to vest in CopperCo or its nominee(s) or such other person as it may decide the Minsec Shares aforesaid and all such acts and things as in the opinion of CopperCo shall be necessary or expedient to enable Computershare UK to perform its functions as Escrow Agent for the purposes of the Offer;

(l) he agrees to ratify each and every act or thing which may be done or effected by CopperCo or Computershare UK or by any of their respective directors or agents or Minsec or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Section B or this Section D of this Part IV;

(m) if any provision of Section B or this Section D of Part IV shall be unenforceable or invalid or shall not operate so as to afford CopperCo and/or Computershare UK and/or any director or agent of any of them the full benefit of the authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable CopperCo and/or Computershare UK and/or any director or agent or any of them to secure the full benefit of such authorities and powers of attorney;

(n) in relation to Minsec Shares held as UK DIs, the making of a CREST Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and CREST Electronic Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of CopperCo to bring any action, suit or proceeding arising out of or in connection with the Offer and the CREST Electronic Acceptance in any court of competent jurisdiction or in any other manner permitted by law;

(o) by virtue of the CREST Regulations, the making of a CREST Electronic Acceptance and if relevant a CREST Cash Election Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Minsec Shares in the terms of the powers and authorities expressed to be given by Section B, this Section D and (where applicable by virtue of paragraph (i) above) Section C of this Part IV to CopperCo and Computershare UK and any of their respective agents; and

(p) if the Offer was accepted from within the United States or such Minsec Shareholder is a US Person, he:

(i) is an "accredited investor" as defined in Regulation D;

(ii) acknowledges that the New CopperCo Shares are "restricted securities" within the meaning of the Securities Act and will be issued to such Minsec Shareholder based in part on the representation and warranty set forth in this paragraph (p);

(iii) acknowledges and agrees that the Company will not grant to such Minsec Shareholder any rights to cause the resale or re-offer of the New CopperCo Shares to be registered pursuant to the Securities Act;

(iv) agrees to resell the New CopperCo Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act;

(v) acknowledges and agrees that, if the New CopperCo Shares are at any time issued in certificated form, any such certificates would bear a restrictive legend to the following effect to ensure compliance with the Securities Act:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*ACT*"), AND HAVE BEEN OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT. SUCH SECURITIES MAY NOT BE REOFFERED FOR SALE OR RESOLD OR OTHERWISE TRANSFERRED UNLESS ONLY IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S, PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN EXEMPTION FROM OR A TRANSACTION NOT SUBJECT TO REGISTRATION UNDER THE ACT."

(vi) can bear the economic risk of his investment; has such knowledge and experience in financial or business matters such that he is capable of evaluating the merits and risks of the investment in the New CopperCo Shares; can bear the economic risk of this investment; and was not organized for the purpose of acquiring the New CopperCo shares; and

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(vii) the New CopperCo Shares will be acquired by the Minsec Shareholder for investment for his own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that he has no present intention of selling, granting any participation in, or otherwise distributing the same, and does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the New CopperCo Shares.

References in this Section D to a Minsec Shareholder shall include reference to the person or persons making a CREST Electronic Acceptance, in relation to Minsec Shares held as UK DIs, and, in the event of more than one person making a CREST Electronic Acceptance, the provisions of this Section D shall apply jointly and severally to each of them. References to the masculine gender shall include the feminine.

Section E : CDI Holders

Without prejudice to the terms of the CDI Acceptance Form and the provisions of Section A and B of this Part IV, each Minsec Shareholder who holds Minsec Shares as CDIs by whom, or on whose behalf, a CDI Acceptance Form is executed and lodged with Computershare Australia (subject to the right of withdrawal set out in this document) or the Offer is otherwise accepted by electronic means as set out in this document irrevocably undertakes, represents, warrants and agrees to and with CopperCo and Computershare Australia and their respective agents (so as to bind him, his personal representatives and his heirs, successors and assigns) to the following effect:

(a) that, whether or not any other Boxes of the CDI Acceptance Form are completed, the execution of a CDI Acceptance Form and the acceptance of the Offer by electronic means in accordance with this document shall constitute:

(i) an acceptance of the Offer in respect of the number of Minsec Shares held as CDIs as referenced on the CDI Acceptance Form or, as applicable, stated in the electronic acceptance;

(ii) if the Minsec Shareholder is an Unmarketable Parcel Holder, the CHESS Cash Election Electronic Acceptance shall further constitute a Cash Election; and

(iii) an authority to CopperCo and their respective agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable CopperCo to obtain the full benefit of the acceptance and/or perfect any of the authorities expressed to be given hereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and the CDI Acceptance Form and that, subject to the rights of withdrawal set out in paragraph 3 of Section B of this Part IV, each such acceptance and/or election shall be irrevocable provided that if the CDI Acceptance Form is otherwise completed incorrectly but the CDI Acceptance Form is signed, it will be deemed to be an acceptance of the terms of the Offer in respect of all of the CDIs comprised in the CDI Acceptance Form;

(b) that he is entitled to dispose of the Minsec Shares held as CDIs in respect of which the Offer is accepted or deemed to be accepted and that the Minsec Shares in respect of which the Offer is accepted or deemed to be accepted are sold with full title guarantee and fully paid free from all liens, charges, equities, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto on or after 29 January 2008, including, without limitation, voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or payable on or after 29 January 2008;

(c) such Minsec Shareholder:

(i) has not received, sent or otherwise distributed, directly or indirectly, any copies or originals of this document, the CDI Acceptance Form or any related documents in, into or from any Restricted Jurisdiction;

(ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, email, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction;

(iii) is accepting the Offer from outside any Restricted Jurisdiction;

(iv) was outside any Restricted Jurisdiction when the relevant CDI Acceptance Form was sent and at the time of the Offer;

(v) in respect of the Minsec Shares to which his acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside any Restricted Jurisdiction;

(vi) is not an overseas person in any Restricted Jurisdiction;

(vii) if he is not a citizen, resident or national of the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties due from him, in each case in connection with such acceptance in any jurisdiction and that he has not taken or omitted to take any action which will or may result in CopperCo or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;

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(d) that the execution of the CDI Acceptance Form and its delivery and, as applicable, the acceptance of the Offer by electronic means in accordance with this document constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Minsec Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of each of CopperCo and/or any of their respective directors or agents as such Minsec Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent, to do all such acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in CopperCo or its nominee(s) or as it may direct such Minsec Shares;

(e) that the execution and delivery of the CDI Acceptance Form and, as applicable, the acceptance of the Offer by electronic means in accordance with this document constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Minsec Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:

(i) to Minsec or its agents, to procure the registration of the transfer of the Minsec Shares pursuant to the Offer;

(ii) (subject to the provisions of paragraph 7 of Section B of this Part IV) to CopperCo or its agents, to procure that such Minsec Shareholder's name is entered on the register of members of CopperCo in respect of the New CopperCo Shares (if any) to which such Minsec Shareholder becomes entitled under the Offer (subject to the Constitution);

(iii) to CopperCo or its agents, to procure the despatch of uncertificated holding statements in accordance with paragraph 14.2 of Part I of this document and/or a cheque to which an accepting Minsec Shareholder becomes entitled pursuant to his acceptance of the Offer (and at the risk of such person); and

(iv) to CopperCo or its agents, to record and act, in respect of any New CopperCo Shares to be received by such Minsec Shareholder, upon any instructions with regard to payments or notices which have been recorded in the records of Minsec in respect of such Minsec Shareholder's holding(s) of Minsec Shares as if such mandates had been given in respect of his holdings of (where applicable) CopperCo Shares;

(v) on receipt of a valid Cash Election to the CopperCo Nominee to procure the sale of the aggregated holding of the Electing Unmarketable Parcel Holders;

(vi) on receipt of a valid Cash Election to the CopperCo Nominee and/or the Registrar to distribute the gross proceeds of sale of the aggregated holding of the Electing Unmarketable Parcel Holders *pro-rata* to the Electing Unmarketable Parcel Holders and despatch the consideration by cheque in accordance with paragraph 5(d) of Section B of this Part IV;

(f) the execution of the CDI Acceptance Form and, as applicable, the acceptance of the Offer by electronic means in accordance with this document constitutes a separate authority to any director of CopperCo and/or their respective agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 6(n) of Section B of this Part IV;

(g) in relation to CDIs an acceptance of the Offer by electronic means in accordance with this document and the CHESS Cash Election Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Minsec Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:

(i) to CopperCo or its agents to procure that the CopperCo Nominee's name is entered on the register of members in respect of CopperCo in respect of the aggregate of any New CopperCo Shares (if any) to be issued to Electing Unmarketable Parcel Holders;

(ii) to the CopperCo Nominee to procure the sale of the aggregated holding of the Electing Unmarketable Parcel Holders;

(iii) to the Registrar to distribute the gross proceeds of sale of the aggregated holding of the Electing Unmarketable Parcel Holders *pro-rata* to the Electing Unmarketable Parcel Holders;

(h) that, after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Expert otherwise gives its consent) and pending registration:

(i) CopperCo or its agents shall be entitled to direct the exercise of any votes attaching to any Minsec Shares held as CDIs in respect of which the Offer has been accepted or is deemed to have been accepted and any other rights and privileges attaching to such Minsec Shares, including the right to requisition a general meeting or separate class meeting of Minsec, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

(ii) the execution of the CDI Acceptance Form or, as applicable, the acceptance of the Offer by electronic means in accordance with this document constitutes, with regard to the Minsec Shares held as CDIs comprised in such acceptance:

(A) an authority to Minsec and/or its agents from such Minsec Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Minsec (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Minsec Shares into certificated form) to CopperCo at its registered office;

(B) the irrevocable appointment of CopperCo or any of its directors or agents to sign such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Minsec Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or to execute a form

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of proxy in respect of such Minsec Shares appointing any person nominated by CopperCo to attend general or separate class meetings of Minsec or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Minsec Shares on his behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

(C) the agreement of such Minsec Shareholder not to exercise any of such rights without the consent of CopperCo and the irrevocable undertaking of such Minsec Shareholder not to appoint a proxy or representative for or to attend such meetings (or any adjournment thereof);

(iii) a Cash Election by an Unmarketable Parcel Holder constitutes, with regard to the Minsec Shares held as CDIs comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn, the irrevocable appointment of CopperCo or any of its directors or agents to sign any such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or execute a form of proxy in respect of such Minsec Shares appointing any person nominated by CopperCo to attend general or separate class meeting of Minsec or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Minsec Shares on his behalf) such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer.

(i) that the terms and conditions of the Offer shall be deemed to be incorporated into and form part of the CDI Acceptance Form, which shall be read and construed accordingly;

(j) that, if he accepts the Offer, he shall do all such acts and things as shall be necessary or expedient to vest in CopperCo or its nominees or such other persons as it may decide the Minsec Shares as aforesaid;

(k) that he agrees to ratify each and every act or thing which may be done or effected by CopperCo or Computershare Australia or by any of their respective directors or agents or Minsec or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Section B or in this Section E of this Part IV;

(l) that, in relation to Minsec Shares held as CDIs, the execution of the CDI Acceptance Form and, as applicable, the acceptance of the Offer by electronic means in accordance with this document constitutes his submission, in relation to all matters arising out of the Offer, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of CopperCo to bring any action, suit or proceeding arising out of or in connection with the Offer in any court of competent jurisdiction or in any other manner permitted by law;

(m) that, if any provision of Section B or of this Section E of Part IV shall be unenforceable or invalid or shall not operate so as to afford CopperCo and/or Computershare Australia and/or any director or agent of any of them the full benefit of the authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable CopperCo and/or Computershare Australia and/or any director or agent of any of them to secure the full benefit of such authorities and powers of attorney; and

(n) if the Offer was accepted from within the United States or such Minsec Shareholder is a US Person, he:

(i) is an "accredited investor" as defined in Regulation D;

(ii) acknowledges that the New CopperCo Shares are "restricted securities" within the meaning of the Securities Act and will be issued to such Minsec Shareholder based in part on the representation and warranty set forth in this paragraph (n);

(iii) acknowledges and agrees that the Company will not grant to such Minsec Shareholder any rights to cause the resale or re-offer of the New CopperCo Shares to be registered pursuant to the Securities Act;

(iv) agrees to resell the New CopperCo Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act;

(v) acknowledges and agrees that, if the New CopperCo Shares are at any time issued in certificated form, any such certificates would bear a restrictive legend to the following effect to ensure compliance with the Securities Act:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*ACT*"), AND HAVE BEEN OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT. SUCH SECURITIES MAY NOT BE REOFFERED FOR SALE OR RESOLD OR OTHERWISE TRANSFERRED UNLESS ONLY IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S, PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN EXEMPTION FROM OR A TRANSACTION NOT SUBJECT TO REGISTRATION UNDER THE ACT."

(vi) can bear the economic risk of his investment; has such knowledge and experience in financial or business matters such that he is capable of evaluating the merits and risks of the investment in the New CopperCo Shares; can bear the economic risk of this investment; and was not organized for the purpose of acquiring the New CopperCo shares; and

(vii) the New CopperCo Shares will be acquired by the Minsec Shareholder for investment for his own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that he has no present intention of selling, granting any participation in, or otherwise distributing the same, and does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the New CopperCo Shares.

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On execution, the CDI Acceptance Form shall take effect as a Deed.

References in this Section E to a Minsec Shareholder shall include references to the person or persons executing a CDI Acceptance Form or making an electronic acceptance in accordance with this document and, in the event of more than one person executing a CDI Acceptance Form or making an electronic acceptance in accordance with this document, the provisions of this Section E shall apply jointly and to each of them. References to the masculine gender shall include the feminine.

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PART V

ADDITIONAL INFORMATION

1. Incorporation and business

CopperCo was incorporated and registered in Australia on 29 May 1959 and has Australian Company Number 004 434 904. CopperCo's registered office is located at Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia 6000. The telephone number of the registered office is +61 8 9260 8800. CopperCo is a company limited by shares and accordingly the liability of the members of CopperCo is limited. The principal legislation under which CopperCo operates is the Corporations Act and regulations made thereunder. CopperCo has no principal place of business in the UK. The ISIN of the CopperCo Shares is AU000000CUO8.

2. CopperCo Directors, CopperCo Senior Managers and Proposed CopperCo Senior Managers

2.1 *CopperCo Directors*

The full names of the CopperCo Directors and their respective current and proposed functions are:

Name	*Current function*	*Proposed function*
Keith Stuart Liddell	Non-Executive Chairman	Chief Executive Officer
Brian James Rear	Managing Director	Managing Director
Richard John Basham	Non-Executive Director	Non-Executive Director
The Hon. John Colinton Moore, AO	Non-Executive Director	Non-Executive Director
Peter John Patrikeos	Non-Executive Director	Non-Executive Director

The current business address of each of the CopperCo Directors is Level 22, Allendale Square, 77 St Georges Terrace, Perth, WA 6000, Australia.

2.2 *CopperCo Senior Managers*

The names of the CopperCo Senior Managers and their respective current functions are:

Name	*Current function*
Phillipus Hartog	Chief Financial Officer and Company Secretary
Simon Pooley	General Manager – Exploration and Business Development
Barry Deans	General Manager – Operations
Keren Paterson	Corporate Development Manager
Paul Martinkus	Site General Manager
Peter Ruzicka	Exploration Manager

The current business address of each of the CopperCo Senior Managers is Level 22, Allendale Square, 77 St Georges Terrace, Perth, WA 6000, Australia.

2.3 *Proposed CopperCo Senior Managers*

The names of the Proposed CopperCo Senior Managers are:

Name	*Current function within Minsec*
Michael Bohm	Managing Director – Asia Pacific
David Hillier	Chief Financial Officer
Ken Rogers	Chief Geologist
Jamie Armes	Group Financial Controller and Australian Company Secretary

The current business address of each of Michael Bohm, Ken Rogers and Jamie Armes is Level 22, Allendale Square, 77 St Georges Terrace, Perth, WA 6000, Australia.

The current business address of David Hillier is 14 Golden Square, London W1F 9JF, United Kingdom.

2.4 *Prior directorships*

The CopperCo Directors, the CopperCo Senior Managers and the Proposed CopperCo Senior Managers are, or have been in the five years immediately preceding the date of this document, directors of the following companies or partners in the following partnerships (excluding any members of the Enlarged CopperCo Group):

Current directorships and partnerships	*Past directorships and partnerships within last five years*
Keith Liddell	
Liddell Capital Pty Ltd	Australian Mines Limited
Metprotech Pacific Pty Ltd	Blair Nickel Mine Pty Ltd
Mineral Securities (Xinjiang) Pty Ltd	Cherish Metals Pty Ltd
Pan-Ausino Development Pty Ltd	Ivanhoe Nickel & Platinum Ltd
Tianshan Goldfields Limited	Sally Malay Mining Limited
Tintron Pty Limited	Sheke Pty Ltd
Tulasi Gold Pty Ltd	

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Current directorships and partnerships	*Past directorships and partnerships within last five years*
Brian Rear	
Copper Range (SA) Pty Ltd	Australian Zircon NL
Duketon Consolidated Pty Ltd	South Boulder Mines Limited
Goldvance Pty Ltd	
Metprotech Pacific Pty Ltd	
SRH Resources Pty Ltd	
Copper Range Limited	
Zambezi Resources Limited	
Richard Basham	
Mineral Sands Limited	Franchise Investments International Limited
Health Services Australia Limited	Bone Medical Limited
Packer & Co Limited	Bone Limited
Hawea Pty Ltd	
Mahsab Investments Pty Ltd	
Flinders Charitable Foundation Ltd	
Veku Pty Ltd	
Hon John Moore AO	
Abacus Data Systems Pty Ltd	Ansett Pioneer Coachlines Pty Ltd
Ralsten Pty Ltd	Australian Heritage Funds Limited
	Greyhound Australia Pty Ltd
	McCaffertys Greyhound Pty Ltd
	Motorcoach Pty Ltd
Peter Patrikeos	
Arcadia Pty Ltd	St. John of God Health Care Inc.
Flinders Charitable Foundation Limited	St. John of God Health Services Ltd
Packer & Co Ltd	St. John of God Services Victoria Ltd
	St. John of God Casa Venegas Limited
	Great Southern Plantations Limited
	Great Southern Managers Australia Limited
	Great Southern Property Managers Limited
Phillipus Hartog	
—	—
Simon Pooley	
—	—
Barry Deans	
—	—
Keren Paterson	
Western Australian Youth Music Association Inc.	—
Paul Martinkus	
—	—
Peter Ruzicka	
—	—
Michael Bohm	
Tarapaca Resources (Bermuda) Ltd	Sally Malay Mining Limited
Tarapaca Holdings (BVI) Ltd	Kimberly Nickel Mines Pty Ltd
Compania Minera Paguanta SA	Lanfranchi Nickel Mines Pty Ltd
Paguanta Resources (Chile) SA	Cherish Metals Pty Ltd
Herencia Resources (Chile) SA	Polar Gold Pty Limited
Iquique Resources (Chile) SA	
Multiplex Resources (Kazakhstan) Limited	

Current directorships and partnerships	*Past directorships and partnerships within last five years*
David Hillier	
The DAD Family Superannuation Fund Pty Ltd	The DAD FT Pty Ltd Quopa Pty Ltd Bluefin Tuna Hellas SA Ausquest Limited Axataque Pty Ltd Sunnymead Enterprises Pty Ltd
Ken Rogers	
Arkeeta Pty Ltd	—
Jamie Armes	
—	—

2.5 ***Further disclosure***

No CopperCo Director, CopperCo Senior Manager or Proposed CopperCo Senior Manager has, in the previous five years:

(a) any convictions in relation to fraudulent offences;

(b) been declared bankrupt or entered into an individual voluntary arrangement;

(c) been a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors, save for Richard Basham who was a director of Franchise Investments International Limited which entered into a voluntary arrangement with creditors pursuant to section 444A of the Corporations Act on 26 November 2004, such arrangement being terminated on 21 December 2004;

(d) been a partner in a partnership at the time of, or within twelve months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of any such partnership;

(e) had his assets the subject of any receivership or has been a partner of a partnership at the time of or within the 12 months preceding, any assets thereof being the subject of a receivership; or

(f) been subject to any public incrimination and/or sanction by any regulatory authority (including any recognised professional body) or has ever been disqualified by a court from acting as a director or member of administrative management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

2.6 ***Potential conflicts***

There are no potential conflicts of interest between any duties owed by the CopperCo Directors, the CopperCo Senior Managers and the Proposed CopperCo Senior Managers to CopperCo and those owed in respect of their private interests or other duties (other than as director or as a member of the senior management of Minsec), and there are no arrangements or understandings with their shareholders, customers, suppliers or others pursuant to which any person was selected as a member of their administration or supervising bodies or as a member of senior management.

3. CopperCo's share capital

(a) The CopperCo Shares are in electronic form and are capable of transfer in electronic form only. The register of members for the CopperCo Shares is maintained by Computershare Australia.

(b) CopperCo was incorporated on 29 May 1959 in the State of Victoria, Australia. It is now incorporated in the Commonwealth of Australia and taken to be registered in Victoria.

(c) The following are the details of the changes in the issued share capital of the Company from 1 July 2004 to 31 December 2007 (being the period covered by the CopperCo financial information):

(i) On 28 September 2004, the Company issued 496,952,500 CopperCo Shares at A$0.02 per share each, credited as fully paid;

(ii) On 12 October 2004, the Company issued 53,047,500 CopperCo Shares at A$0.02 per share each, credited as fully paid;

(iii) On 27 September 2004, the Company issued 163,333,333 CopperCo Shares in consideration for CopperCo acquiring 100% of the issued capital of Savannah Resources from International Base Metals Limited;

(iv) On 28 September 2004, the Company issued 66,666,666 CopperCo Shares in consideration for CopperCo acquiring 100% of the issued capital of Reefway Pty Ltd from Pegmont Mines NL;

(v) On 28 September 2004, the Company issued 300,000,000 CopperCo Shares in consideration for CopperCo acquiring a 100% ownership of the Lady Annie Project by acquiring 100% of the issued capital of Buka Minerals (Lady Loretta) Pty Ltd. This is considered a related party transaction for the purposes of paragraph 23 of Part V;

(vi) On 22 December 2004, the Company issued 203,545,637 CopperCo Shares at A$0.022 each, credited as fully paid, by way of a placement to raise finance for the proposed acquisition of Universal Resources Limited and for working capital purposes;

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(vii) On 23 March 2005, the Company issued 80,671,086 CopperCo Shares to the shareholders of Universal Resources Limited at A$0.021 each, credited as fully paid;

(viii) On 8 April 2005, the Company issued 135,180 CopperCo Shares to the shareholders of Universal Resources Limited at A$0.018 each, credited as fully paid;

(ix) On 20 April 2005, the Company issued 7,601,628 CopperCo Shares to the shareholders of Universal Resources Limited at A$0.018 each, credited as fully paid;

(x) On 27 April 2005 the Company issued 24,000,000 CopperCo Shares to Minsec Australia at A$0.022 cents each, credited as fully paid. This is considered a related party transaction for the purposes of paragraph 23 of Part V;

(xi) On 17 May 2005, the Company issued 2,740,554 CopperCo Shares to the shareholders of Universal Resources Limited at A$0.014 each, credited as fully paid;

(xii) On 28 December 2005, the Company issued 241,176,480 CopperCo Shares of A$0.017 each, credited as fully paid;

(xiii) On 9 February 2006, the Company issued 6,572,982 CopperCo Shares at A$0.0166 each, credited as fully paid, as payment for interest incurred on a loan facility;

(xiv) On 20 April 2006, the Company issued 4,301,397 CopperCo Shares at A$0.0248 each, credited as fully paid, as payment for interest incurred on a loan facility;

(xv) On 12 May 2006, the Company approved a one for ten share consolidation;

(xvi) On or about 18 May 2006, the Company issued 135,449,998 CopperCo Shares at A$0.35 each through an institutional placement for the development of the Lady Annie Project, capital raising costs and additional working capital that included exploration activities;

(xvii) On 30 June 2006, the Company issued 8,000,000 CopperCo Shares to Minsec Australia at A$0.20 each and credited as fully paid resulting from an exercise of options granted to Minsec Australia in consideration of services provided to the Company. CopperCo Shareholders approved the issue on 13 September 2004. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V;

(xviii) On 12 October 2006, the Company issued 7,500,000 CopperCo Shares at A$0.40 each, credited as fully paid, in payment for the acquisition of Lady Annie Project from Buka Minerals (Lady Loretta No. 2) Pty Ltd of an outstanding payment of A$3 million which was due on 30 June 2006. This is considered a related party transaction for the purposes of paragraph 23 of Part V;

(xix) On 13 March 2007, the Company issued, as part of Tranche 1 of a A$30 million placement, 51,111,105 CopperCo Shares at A$0.45 per share raising A$23 million and used by CopperCo to fund continuing exploration and the planned production expansion of the Lady Annie Project. Included in this placement were 6,666,666 CopperCo Shares issued to Minsec Australia at A$0.45 per share raising A$3 million.

Tranche 2 of the placement involved the issue of a further 3,333,333 CopperCo Shares at A$0.45 per share to Minsec Australia on 7 May 2007 to raise A$1.5 million. In addition Minsec Australia was issued with Convertible Notes for A$5.5 million to raise a total for Tranche 2 of A$7 million. The A$7 million placement was also used to fund continuing exploration and the planned production expansion of the Lady Annie Project.

The issues to Minsec Australia in tranche 1 and tranche 2 are considered related party transactions for the purposes of paragraph 23 of this Part V;

(xx) On 29 June 2007, the Company issued 5,714,285 CopperCo Shares at A$0.35 each to Perpetual Corporate Trust Limited ACF LinQ Resources Fund;

(xxi) On 29 June 2007, the Company issued 1,225,000 CopperCo Shares at A$0.40 each, credited as fully paid, to Buka Minerals and 1,275,000 CopperCo Shares at A$0.40 each, credited as fully paid, to Buka Minerals (Lady Loretta No. 2) Pty Ltd in repayment of a A$1 million contingent payment. This is considered a related party transaction for the purposes of paragraph 23 of Part V;

(xxii) On 20 September 2007, the Company issued 25,000,000 CopperCo Shares at A$0.20 each, credited as fully paid, to RBC Dexia Investor Services Australia Nominees Pty Limited as part of a mezzanine financing agreement with LinQ Resources Fund;

(xxiii) On 20 September 2007, the Company issued 8,000,000 CopperCo Shares at A$0.45 each, credited as fully paid, to Minsec in accordance with the exercise by Minsec of convertible notes in CopperCo. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V;

(xxiv) On 6 December 2007, the Company issued 1,000,000 CopperCo Shares to Brian Rear, credited as fully paid, pursuant to the exercise of 1,000,000 unlisted options at A$0.20 each. This is considered to be a related party transaction for the purposes of paragraph 23 of Part V of this document;

(d) The issued share capital of CopperCo as at 1 July 2007 (being the start of CopperCo's current financial year) was 407,619,978 CopperCo Shares. As at 31 December 2007 (being the date of the most recent balance sheet included in the historical financial information) the issued share capital of CopperCo was 441,619,978 CopperCo Shares. Since that date there have been the following issues of CopperCo Shares:

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(i) On 11 March 2008, the Company issued 33,700,000 CopperCo Shares at A$0.54 each, credited as fully paid, to an institutional investor in Europe raising A$18,200,000 (before expenses) as part of a private placement to raise a total of A$30,400,000 to fund the Company's expansion of the Lady Annie Project;

(ii) On 13 March 2008, the Company issued 4,222,222 CopperCo Shares, credited as fully paid pursuant to the exercise of 4,222,222 convertible notes at A$0.45 each by Minsec. This is considered to be a related party transaction for the purposes of paragraph 23 of Part V;

(iii) On 23 April 2008, the Company issued 11,259,259 CopperCo Shares at A$0.54 each, credited as fully paid, to institutional investors in Europe and the Asia Pacific raising A$6 million (before expenses) as part of a private placement to raise a total of A$30,400,000 to fund the Company's expansion of the Lady Annie Project; and

(iv) On 28 April 2008, the Company issued 11,407,407 CopperCo Shares at A$0.54 each, credited as fully paid, to institutional investors in Europe and the Asia Pacific raising approximately A$6.2 million (before expenses) as part of a private placement to raise a total of A$30,400,000 to fund the Company's expansion of the Lady Annie Project; and

(v) On 28 April 2008, the Company issued 500,000 CopperCo Shares, credited as fully paid, pursuant to the exercise of 500,000 unlisted options at A$0.20 each by Stephen Blackman. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V; and

(vi) On 20 June 2008, the Company issued 4,000,000 CopperCo Shares, credited as fully paid, pursuant to the exercise of 4,000,000 unlisted options at A$0.20 each by Brian Rear. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V;

Effective from 1 July 1998 the Corporations Act abolished the concepts of authorised capital and par value shares. Accordingly, CopperCo does not have authorised capital nor par value in respect of its issued capital.

(e) As at 20 June 2008, being the latest practicable date prior to the publication of this document, no CopperCo Shares are held by or on behalf of CopperCo, or by subsidiaries of CopperCo. However, Minsec currently owns 91,672,258 CopperCo Shares. Minsec's shareholding in CopperCo will be disposed of within 12 months of the Offer becoming or being declared wholly unconditional by either seeking the approval of CopperCo's shareholders to cancel or buy back the shares or by disposing of the shares by way of a rights issue or placement.

(f) CopperCo and Minsec Australia are parties to heads of agreement dated 5 June 2007 under which CopperCo has agreed to purchase 8,000,000 fully paid ordinary shares in Zambezi Resources Limited from Minsec Australia (see summary of agreement in paragraph 15(i) of this Part V below). Each of CopperCo and Minsec Australia is entitled under those heads of agreement to elect that CopperCo pays for those shares by issuing CopperCo Shares. Completion of the agreement was to occur on 30 June 2008. However, CopperCo and Minsec have agreed in the Bidding Agreement (described in paragraph 15(e) of this Part V) to postpone settlement to a date which is five Business Days after the end of the Transaction Period.

(g) Other than as set out in paragraph (j) below, there are no acquisition rights and/or obligations over unissued capital of CopperCo or any undertakings to increase the capital of CopperCo.

(h) As at 20 June 2008 (the latest practicable date prior to the date of this document), the issued and fully paid share capital of CopperCo was 506,708,866 CopperCo Shares.

(i) The issue of up to 370,362,515 New CopperCo Shares represents a dilution of 47.2% for an existing CopperCo Shareholder (assuming the existing shareholder does not own Minsec Shares and cancellation of the CopperCo Treasury Shares has taken place).

(j) As at 20 June 2008 (being the latest practicable date prior to the date of this document), there were outstanding options over a total of 50,380,000 CopperCo Shares representing approximately 9.9% of the issued ordinary share capital of CopperCo on that date. Details of these options are as set out below:

Number of options (each exercisable into one CopperCo Share)	*Exercise price per option*	*Expiry date*	*Other details*
4,800,000	A$0.37	18 July 2011	Issued to employees under the 2004 Plan on 17 July 2006. Half of the options vested immediately, with the remaining half vesting one year after issue. 100,000 CopperCo options were forfeited in 2007 due to the resignation of two employees.
1,380,000	A$0.20	30 June 2010	Issued to employees under the 2004 Plan on 1 July 2005. Half of the options vested immediately, with the remaining half vesting one year after issue. 100,000 options were forfeited in the 2006 financial year due to the resignation of one employee.
4,000,000	A$0.45	30 June 2010	Issued to Brian Rear, Keith Liddell and Richard Basham under the 2004 Plan on 12 October 2006 to provide an incentive and loyalty driven component to their remuneration packages. The options provided to Mr Rear will only vest on the sustainable production of cathode and delivery of product at or lower than budget capital expenditure. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V.

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Number of options (each exercisable into one CopperCo Share)	*Exercise price per option*	*Expiry date*	*Other details*
750,000	A$0.55	30 June 2010	Issued to Brian Rear under the 2004 Plan on 12 October 2006 to provide an incentive and loyalty driven component to his remuneration package. The options will only vest on project operating costs for the period 1 July 2007 to 30 June 2008 being at or lower than budget. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V.
750,000	A$0.60	30 June 2010	Issued to Brian Rear under the 2004 Plan on 12 October 2006 to provide an incentive and loyalty driven component to his remuneration package. The options will only vest on copper production for the period 1 July 2008 to 30 June 2009 being in accordance with or higher than budget. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V.
1,800,000	A$0.20	30 June 2008	The balance of options issued to Stephen Blackman (1,000,000) and Ken Maiden (800,000) on 28 September 2004, to provide an incentive and loyalty driven component to their remuneration packages. The options vested upon financing for a 10,000 tonne per year copper cathode operation by CopperCo. The remaining options have been exercised and the corresponding CopperCo Shares will be issued on 30 June 2008. These are considered to be related party transactions for the purposes of paragraph 23 of this Part V.
20,000,000	A$0.65	30 June 2010	Issued to Macquarie Bank, Glencore and LinQ Resources Fund as a condition to the provision of a A$20 million financing facility.
1,700,000	A$0.79	19 July 2012	Issued to employees under the 2004 Plan on 20 August 2007. Half of the options vested immediately, with the remaining half vesting one year after issue.
12,500,000	A$1.06	30 June 2010	Issued to Macquarie Bank (5,000,000), Perpetual Corporate Trust Limited as responsible entity for the LinQ Resources Fund (5,000,000) and Bell Co Pty Ltd (2,500,000) in connection with various financing facilities.
200,000	A$1.10	31 December 2010	Issued to Randolph Scheffel under the 2004 Plan on 13 March 2008.
2,500,000	A$1.06	30 June 2010	Issued to Simon Moore in connection with A$2,500,000 in financing provided by Simon Moore. The issue was approved at the CopperCo general meeting held on 21 April 2008. This is considered to be a related party transaction for the purposes of paragraph 23 of this Part V.

(k) Save as disclosed in this paragraph 3:

(i) no share or loan capital of CopperCo or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) has been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed; and

(ii) neither CopperCo nor any of its subsidiaries has granted any options over its shares or loan capital which remain outstanding or has agreed, conditionally or unconditionally, to grant any such options.

4. CopperCo Incentive Schemes

CopperCo currently operates two option schemes and one share scheme and these will continue to be operated after the Acquisition. The options under both option plans are unlisted.

The terms of the CopperCo Incentive Schemes are described below.

4.1 ***CopperCo Employee Share Option Plan (the "2004 Plan")***

The formation and adoption of the 2004 Plan was approved by the shareholders of CopperCo on 13 September 2004 and subsequently approved by the CopperCo Board on 22 August 2007 and has the following features:

(a) *Exercise of options*

Options may be exercised at any time, ending on the relevant expiry date, by the participant giving notice in writing to the CopperCo Board. Within ten Business Days after the exercise notice becomes effective, the CopperCo Board must allot and issue the relevant number of Shares in respect of the options being exercised.

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(b) *Lapse of options*

Options will lapse to the extent not already exercised:

- on the relevant expiry date;
- if the participant ceases to be a Director or employee of CopperCo; or
- 3 months after the date of cessation of employment or directorship due to retirement, redundancy, death or total and permanent disablement or such longer period as the CopperCo Board determines.

(c) *Amendment of the 2004 Plan*

The CopperCo Board may, subject to the ASX Listing Rules, alter, delete or add to the rules of the 2004 Plan at any time. However, if any such amendment would adversely affect the rights of participants in respect of any options held by them, the CopperCo Board must obtain the consent of participants who between them hold not less than 75% of the total number of those options held by all those participants before making the amendment.

Details of the options issued under the 2004 Plan are set out in the table at paragraph 3(j) above.

4.2 ***CopperCo Employee Share Plan (the "2007 Share Plan")***

The 2007 Share Plan, approved by the CopperCo Board on 22 August 2007, allows the Company to issue CopperCo Shares free of charge to eligible persons, which include employees and CopperCo Directors. Each eligible person can be issued, in each year, up to A$1,000 worth of CopperCo Shares, and if the relevant requirements of the Income Tax Assessment Act 1936 (Commonwealth of Australia) are satisfied (the 2007 Share Plan is aimed at satisfying those requirements) the eligible employee would receive the CopperCo Shares "tax free". The CopperCo Shares would not be forfeited if the eligible employee ceased to be employed with the Company, or for any other reason (this is one of the relevant tax requirements). As at 20 June 2008 (the latest practicable date prior to the publication of this document), no CopperCo Shares had been issued under the 2007 Share Plan.

4.3 ***CopperCo Executive Directors and Employees Option Plan (the "2007 Option Plan")***

The 2007 Option Plan was approved by the CopperCo Board on 22 August 2007.

(a) *Exercise of options*

Options may be issued and exercised free of charge. The options must be exercised within three years of issue or such other date as the CopperCo Directors determined at the time of issue.

(b) *Lapse of options*

Options will lapse to the extent not already exercised:

- on the relevant expiry date;
- within one month of the cessation of employment or directorship, or such longer period as the committee of the CopperCo Board determines; or
- three months after the date of cessation of employment or directorship due to retirement, redundancy, death or permanent incapacity.

(c) *Amendment of the 2007 Option Plan*

The CopperCo Board may, subject to the ASX Listing Rules, alter, delete or add to the rules of the 2007 Option Plan at any time.

As at 20 June 2008 (being the latest practicable date prior to the publication of this document), no options had been issued under the 2007 Option Plan.

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5. Interests of CopperCo Directors, CopperCo Senior Managers, and Proposed CopperCo Senior Managers

(a) As at 20 June 2008 (being the latest practicable date prior to the date of this document), the interests of the CopperCo Directors, the CopperCo Senior Managers and the Proposed CopperCo Senior Managers and persons connected with them in the issued share capital of CopperCo (all of which, unless otherwise stated, are beneficial) were, and immediately following the completion of the Offer will be, as set out below:

	As at 20 June 2008		*Immediately following the Acquisition*[1]		
Name	*Number of CopperCo Shares*	*% of issued CopperCo Shares*	*Number of CopperCo Shares*	*% of issued CopperCo Shares*[2]	*% of issued CopperCo Shares*[3]
Keith Stuart Liddell	535,736	0.11	24,665,698	2.81	3.14
Brian James Rear	6,879,267	1.36	7,631,548	0.87	0.97
Richard John Basham	407,157	0.08	589,964	0.07	0.08
Hon. John Moore AO	899,500	0.18	2,125,505	0.24	0.27
Peter Patrikeos	15,000	0.00	15,000	0.00	0.00
Phillipus Willem Hartog	—	—	—	—	—
Barry Deans	—	—	—	—	—
Simon Pooley	—	—	—	—	—
Keren Paterson	4,000	0.00	4,000	0.00	0.00
Paul Martinkus	—	—	—	—	—
Peter Ruzicka	20,000	0.00	20,000	0.00	0.00
Michael Bohm	111,111	0.02	857,618	0.10	0.11
David Hillier	—	—	92,400	0.01	0.01
Jamie Armes	—	—	273,600	0.03	0.03
Ken Rogers	159,556[4]	0.03	706,756	0.08	0.09

Note:

1. Assuming that CopperCo acquires 100% of the issued share capital of Minsec following cancellation of the Minsec Treasury Shares. The figures in the above table assume that New CopperCo Shares are issued to the Minsec LTIP Beneficiaries and the maximum number of New CopperCo Shares are issued to Minsec Optionholders pursuant to the agreements referred to in paragraph 7.2 of Part I of this document.
2. Assuming cancellation of the CopperCo Treasury Shares has not occurred.
3. Assuming cancellation of the CopperCo Treasury Shares has occurred.
4. Held both directly and indirectly through his spouse and family trust company, Arkeeta Pty Ltd.

(b) As at 20 June 2008 (being the latest practicable date prior to the date of this document), the following CopperCo Directors and CopperCo Senior Managers held the following options over CopperCo Shares under the CopperCo Incentive Schemes:

Name	*Number of CopperCo Shares under option*	*Exercise price*	*Exercise period*
Keith Stuart Liddell	1,500,000	A$0.45	On or before 30 June 2010
Brian James Rear	750,000	A$0.60	On or before 30 June 2010[1]
	750,000	A$0.55	On or before 30 June 2010[2]
	1,500,000	A$0.45	On or before 30 June 2010[3]
Richard John Basham	1,000,000	A$0.45	On or before 30 June 2010
Hon. John Moore AO	—	—	—
Peter Patrikeos	—	—	—
Phillipus Willem Hartog	200,000	A$0.20	On or before 30 June 2010
	800,000	A$0.37	On or before 18 July 2011
Barry Deans	200,000	A$0.20	On or before 30 June 2010
	500,000	A$0.37	On or before 18 July 2011
Simon Pooley	400,000	A$0.20	On or before 30 June 2010
	800,000	A$0.37	On or before 18 July 2011
Keren Paterson	—	—	—
Paul Martinkus	500,000	A$0.37	On or before 30 July 2011
Peter Ruzicka	400,000	A$0.79	On or before 19 July 2012[4]

Note:

1. The options will only vest on copper production for the period 1 July 2008 to 30 June 2009 to be in accordance with or higher than budget.
2. The options will only vest on project operating costs for the period 1 July 2007 to 30 June 2010 to be at or lower than budget.
3. The options will only vest on the sustainable production of cathode and delivery of project at or lower than budget capital expenditure.
4. Half of which vested on 20 August 2007 and half are expected to vest on 20 August 2008.

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As at 20 June 2008 (being the latest practicable date prior to the date of this document), none of the Proposed CopperCo Senior Managers held options over CopperCo Shares under the CopperCo Incentive Schemes.

6. Substantial shareholders

(a) Under Australian law, interests over 5% in the Company's share capital must be notified to the Company and ASX. As at 20 June 2008 (being the latest practicable date prior to the date of this document), based upon information notified to the Company and ASX, the interests of CopperCo Shareholders holding (together with their associates) over 5% of the issued share capital of the Company (all of which, unless stated, are beneficial) were as set out below, along with their expected holding immediately following completion of the Acquisition.

	As at 20 June 2008			*Immediately following the Acquisition*			
	Number of CopperCo Shares	*Options held*	*% of issued CopperCo Shares*[1]	*Number of CopperCo Shares*	*Options held*	*% of issued CopperCo Shares*[2]	*% of issued CopperCo Shares*[3]
Minsec[4]	91,672,258	—	18.09	91,672,258[5]	—	10.45	—
Perpetual Corporate Trust Limited	48,534,118	—	9.58	48,534,118	—	5.53	6.18
National Nominees Limited	36,511,516	—	7.21	49,879,026	—	5.64	6.35
JP Morgan Nominees Australia Limited	27,360,867	—	5.40	27,360,867	—	3.12	3.48

Note:

1. Based on undiluted issued shares in CopperCo.
2. Assuming that CopperCo acquires 100% of the issued share capital of Minsec following cancellation of the Minsec Treasury Shares and cancellation of the CopperCo Treasury Shares has not occurred.
3. Assuming that CopperCo acquires 100% of the issued share capital of Minsec following cancellation of the Minsec Treasury Shares and cancellation of the CopperCo Treasury Shares has occurred.
4. Excluding any CopperCo Shares to be issued to Minsec as a result of the Zambezi swap arrangements as described in paragraph 3(f) of this Part V.
5. Which will become the CopperCo Treasury Shares following the Acquisition.

(b) All the CopperCo Shares rank *pari passu* and no CopperCo Shareholders enjoy different or enhanced voting rights.

(c) As at 20 June 2008 (being the latest practicable date prior to the publication of this document) the Company is not aware of any persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

(d) The Company is not aware of any arrangements the operation of which may at a date subsequent to this document result in a change in control of the Company.

7. Takeover offers by third parties for CopperCo's Shares occurring in the last and current financial years

There have been no public takeover bids by third parties in respect of the share capital of the Company between 1 July 2006 and 20 June 2008, being the latest practicable date prior to publication of this document.

8. Summary of relevant Australian takeover laws

The Corporations Act places restrictions on a person acquiring relevant interests in the voting shares of an Australian listed company where, as a result of the acquisition, that person's or someone else's voting power in the company (together with the voting power of their associates) increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90% Generally such acquisitions cannot be made unless the person does not acquire more than 3% of the voting shares in the company in any six-month period, the acquisition is made with shareholder approval, the acquisition is made under a takeover bid made in accordance with Australian law or some other exemption applies under Australian law. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions on conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.

If following a takeover bid a bidder and its associates: (i) have relevant interests in at least 90% by number of the securities in the bid class of an Australian listed company; and (ii) have acquired at least 75% by number of the securities that the bidder offered to acquire under the bid (whether the acquisitions happened under the bid or otherwise), the Corporations Act provides that the bidder may compulsorily acquire any remaining securities in the bid class. The Corporations Act also provides for a general compulsory acquisition power where a 90% holder in relation to a class of securities of a company may compulsorily acquire all the remaining securities in that class if either: (i) the holders of securities in that class (if any) who have objected to the acquisition between them hold less than 10% by value of those remaining securities at the end of the statutory one month objection period; or (ii) the Court approves the acquisition.

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9. Official quotation on the ASX

The CopperCo Shares are currently officially quoted on the ASX under the ASX code CUO and are quoted in Australian dollars.

10. Information about the CopperCo Directors, the CopperCo Senior Managers and employees

10.1 ***CopperCo Directors***

(a) *CopperCo executive directors*

Brian Rear has entered into an employment agreement dated 16 June 2004 with CopperCo. Under that agreement, Mr Rear has been appointed (through his consultant company, SRH Resources Pty Ltd) as Managing Director of CopperCo for a period of three years from the date of the agreement. Either CopperCo or Mr Rear may terminate the contract agreement by giving the other party not less than nine months' notice (or by the Company providing remuneration in lieu of such notice). The period of notice is reduced to six months if CopperCo's assets are sold or if someone acquires or agrees to acquire not less than 90% of the CopperCo Shares. CopperCo may also terminate the contract on three months' notice if Mr Rear is unable to perform his duties for 180 days in any 12 month period, or without notice for cause. Mr Rear is entitled to a base salary of A$400,000, as well as the use of a car parking bay, mobile telephone and laptop computer. In addition, Mr Rear is eligible to participate in the 2004 Plan, 2007 Share Plan, and 2007 Option Plan. Mr Rear is entitled to four weeks paid annual leave, eight weeks sick leave and long service leave of three months after service for five years (with an entitlement to a pro-rata amount if the employment is terminated after three years). All leave entitlements are calculated based on Mr Rear's continuous employment with CopperCo since 16 June 2004.

(b) *CopperCo non-executive directors*

Each non-executive director receives a fee for being a director of CopperCo. An additional fee is also paid for each board committee on which such a director sits. Non-executive directors are entitled to reimbursement for all reasonable out-of-pocket expenses properly incurred by them on CopperCo business. Each non-executive director is a party to a deed of access, insurance and indemnity which provides (subject to the Corporations Act) for rights of access to CopperCo books; directors' and officers' insurance; and indemnification from CopperCo in certain circumstances. The non-executive directors are not entitled to any other benefits and, upon termination, no other benefits are due to them. Details of the current CopperCo non-executive directors are set out in paragraph 2 of this Part V.

Keith Liddell

In addition to Keith Liddell's appointment as non-executive chairman of CopperCo, Mr Liddell is also Chief Executive Officer of Minsec.

The service contract entered into on 22 July 2002 between Keith Liddell and Minsec Australia in respect of his position as Minsec Australia's CEO has ended and it was intended that such service contract would be replaced by a new service contract that would provide for a UK salary of £240,000 and overseas remuneration of US$320,000 including US$100,000 of directors fees and from which US$200,000 per annum is to be deducted in recognition of the salary Mr Liddell receives from Platmin. In August 2007, Mr Liddell also received advances from Minsec Group companies of £65,000 in respect of expenses and of £150,000 in respect of salary.

For his services to Minsec, Mr Liddell has been granted an award under the Minsec LTIP with the right to receive up to a total of 3,840,000 Minsec Shares on and subject to the terms of the Minsec LTIP. For further details on the treatment of Mr Liddell's entitlement under the Minsec LTIP, please refer to paragraph 7.2 of Part I of this document. Mr Liddell has also been granted Class B options over Minsec Shares.

Fees paid in respect of Mr Liddell's services as non-executive chairman of CopperCo are paid to Minsec.

Hon. John Moore AO

In addition to being appointed as a non-executive director of CopperCo, Hon. John Moore AO is also a non-executive director of Minsec. Hon. Moore is a party to an Officer Protection Deed with Minsec which provides for, inter alia, access to and use of board documents by the director, confidentiality obligations on the part of the director and the provision of directors' and officers' insurance. In addition to his remuneration as a non-executive director of CopperCo, Hon. Moore receives from Minsec remuneration of US$50,000 per annum.

10.2 ***CopperCo Senior Managers***

The following agreements have been entered into with the following CopperCo Senior Managers:

Mr Phillipus Hartog – Chief Financial Officer and Company Secretary

Phillipus Hartog has entered into an employment agreement with CopperCo. That agreement governs the terms of Mr Hartog's employment, which commenced on 1 December 2004. Mr Hartog's current role is Chief Financial Officer and Company Secretary of CopperCo. Either CopperCo or Mr Hartog may terminate the agreement by giving four weeks' notice (or by CopperCo providing remuneration in lieu of such notice). CopperCo may also terminate the agreement without notice for cause. Mr Hartog's current package is an annual salary of A$260,000 (excluding superannuation), as well as the use of a mobile telephone and laptop computer. In addition, Mr Hartog is eligible to participate in all of the CopperCo Incentive Schemes. Mr Hartog is entitled to 20 days paid annual leave, ten days sick leave and long service leave in accordance with statutory requirements.

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Mr Barry Deans – General Manager – Operations

Barry Deans has entered into an employment agreement with CopperCo. That agreement governs the terms of Mr Deans' employment, which commenced on 1 March 2005. Either CopperCo or Mr Deans may terminate the agreement by giving four weeks' notice (or by CopperCo providing remuneration in lieu of such notice). CopperCo may also terminate the agreement without notice for cause. Mr Deans' current package is an annual salary of A$210,000 (excluding superannuation). In addition, Mr Deans is eligible to participate in all of the CopperCo Incentive Schemes. Mr Deans is entitled to 20 days paid annual leave, ten days sick leave and long service leave in accordance with statutory requirements.

Mr Simon Pooley – General Manager – Exploration and Business Development

Simon Pooley has entered into an employment agreement with CopperCo. That agreement governs the terms of Mr Pooley's employment, which commenced on 1 January 2005. Mr Pooley's current role is General Manager – Exploration and Business Development of CopperCo. Either CopperCo or Mr Pooley may terminate the agreement by giving four weeks notice (or by CopperCo providing remuneration in lieu of such notice). CopperCo may also terminate the agreement without notice for cause. Mr Pooley's current package is an annual salary of A$260,000 (excluding superannuation). In addition, Mr Pooley is eligible to participate in all of the CopperCo Incentive Schemes. Mr Pooley is entitled to 20 days paid annual leave, 10 days sick leave and long service leave in accordance with statutory requirements.

Mr Paul Martinkus – Site General Manager – Lady Annie Project

Paul Martinkus has entered into an employment agreement with CopperCo. That agreement governs the terms of Mr Martinkus' employment, which commenced on 1 May 2006. Either CopperCo or Mr Martinkus may terminate the agreement by giving four weeks notice (or by CopperCo providing remuneration in lieu of notice). CopperCo may also terminate the agreement without notice for cause. Mr Martinkus' current package is an annual salary of A$252,294 (exclusive of superannuation) as well as the use of a mobile phone and laptop computer. In addition, Mr Martinkus is eligible to participate in all of the CopperCo Incentive Schemes. Mr Martinkus is entitled to 20 days paid annual leave, ten days sick leave and long service leave in accordance with statutory requirements.

Mr Peter Ruzicka – Exploration Manager

Peter Ruzicka has entered into an employment agreement with CopperCo. That agreement governs the terms of Mr Ruzicka's employment, which commenced on 18 October 2006. Either CopperCo or Mr Ruzicka may terminate the agreement by giving four weeks notice (or by CopperCo providing remuneration in lieu of notice). CopperCo may also terminate the agreement without notice for cause. Mr Ruzicka's current package is an annual salary of A$174,400 (inclusive of superannuation) as well as the use of a mobile phone and laptop computer. In addition, Mr Ruzicka is eligible to participate in all of the CopperCo Incentive Schemes. Mr Ruzicka is entitled to 20 days paid annual leave, ten days sick leave and long service leave in accordance with statutory requirements.

Ms Keren Paterson – Corporate Development Manager

Keren Paterson has entered into an employment agreement with CopperCo. That agreement governs the terms of Ms Paterson's employment, which commenced on 31 August 2007. Either CopperCo or Ms Paterson may terminate the agreement by giving four weeks notice (or by CopperCo providing remuneration in lieu of notice). CopperCo may also terminate the agreement without notice for cause. Ms Paterson's current package is an annual salary of A$260,000 (exclusive of superannuation) as well as the use of a mobile phone and laptop computer. In addition, Ms Paterson is eligible to participate in all of the CopperCo Incentive Schemes. Ms Paterson is entitled to 20 days paid annual leave, ten days sick leave and long service leave in accordance with statutory requirements.

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10.3 ***Remuneration***

(a) The aggregate amount of the remuneration paid and benefits in kind granted to the CopperCo Directors and CopperCo Senior Managers by CopperCo and its subsidiary undertakings during the financial year ended 30 June 2007 was A$3,396,501.

(b) The remuneration and benefits received by each of the CopperCo Directors and CopperCo Senior Managers for the financial years ended 30 June 2007 and 2006 were as follows:

		Short term		*Post*	*Share based*		*% of*
		Salary & fees A$	*Non monetary A$*	*employment superannuation A$*	*payments options A$*	*Total A$*	*remuneration performance related*
Keith Liddell[1]	2007	80,250[2]	—	—	315,000	395,250	80%
	2006	50,000[2]	—	—	—	50,000	—
Richard Basham	2007	50,459	—	4,541	210,000	265,000	79%
	2006	30,000	—	2,700	—	32,700	—
Brian Rear	2007	364,947	5,719	29,824	577,500	977,990	59%
	2006	226,911	4,900	20,422	524,628	776,861	68%
Hon John Moore AO[1]	2007	25,195	—	—	—	25,195	—
	2006	—	—	—	—	—	—
Peter Patrikeos	2007	27,383	—	2,465	—	29,848	—
	2006	—	—	—	—	—	—

Note:

1. Keith Liddell and Hon John Moore AO were also directors of Minsec Australia during the period and details of their terms of appointment with Minsec are set out in paragraph 10.1 of Part V of this document.
2. Minsec Australia received these fees for Mr K S Liddell's services provided to CopperCo as a Non-Executive Director.

		Short term		*Post*	*Share based*		*% of*
		Salary & fees A$	*Cash bonus A$*	*employment superannuation A$*	*payments options A$*	*Total A$*	*remuneration performance related*
Simon Pooley	2007	190,000	—	17,100	224,000	431,100	52%
	2006	150,000	40,000	13,500	32,000	235,500	31%
Phillipus Hartog[1]	2007	190,000	40,000[1]	17,100	224,000	471,100	48%
	2006	146,789	—	13,211	16,000	176,000	9%
Barry Deans	2007	190,000	—	17,100	140,000	347,100	40%
	2006	140,000	—	12,600	16,000	168,600	9%
Keren Paterson	2007	—	—	—	—	—	—
	2006	—	—	—	—	—	—
Paul Martinkus	2007	190,000	—	17,100	140,000	347,100	40%
	2006	75,303	—	6,780	—	82,083	0%
Peter Ruzicka	2007	97,998	—	8,820	—	106,818	0%
	2006	—	—	—	148,000	254,818	58%

Note:

1. The bonus was granted to ensure remuneration is competitive with market standards and as recognition based on past performance.

10.4 ***Employees***

As at 30 June 2007, the CopperCo Group had 118 employees (30 June 2006: 21 employees; 30 June 2005: 14 employees).

As at 20 June 2008 (being the latest practicable date prior to the publication of this document), the CopperCo Group had 164 employees. Those employees are based in Australia and are committed to the following departments within the CopperCo Group:

- Lady Annie 145
- Exploration 10
- Corporate 9

11. Information on holdings

So far as the Company is aware, there are no undertakings, in which the Company holds a proportion of capital, which are likely to have a significant effect on the assessment of the Company's own assets and liabilities, financial position or profits and losses.

12. Organisational structure of CopperCo

CopperCo is the holding company of the CopperCo Group. The CopperCo Group is engaged in minerals exploration with prospective base and precious metals tenements in New South Wales, Western Australia and Queensland. The following table shows certain details with respect to the Company's significant subsidiaries.

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Company	*Country of incorporation*	*Investment held by*	*Proportion of capital held by the consolidated entity (%)*	*Voting rights (%)*
CopperCo Queensland	Australia	CopperCo Limited	100	100
CopperCo Minerals Pty Ltd (formerly Millenium Minerals Pty Ltd)	Australia	CopperCo Limited	100	100
Millenium Minerals (Operations) Pty Ltd	Australia	CopperCo Minerals Pty Ltd	100	100
Copperwell Pty Ltd	Australia	CopperCo Queensland	100	100
Lady Annie Pty Ltd	Australia	CopperCo Queensland	100	100
Lady Annie Operations (formerly Reefway Pty Ltd)	Australia	CopperCo Queensland	100	100
Savannah Resources	Australia	CopperCo Queensland	100	100

13. Constitution of CopperCo

The summary below is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of CopperCo Shares and must be read subject to Australian statute and general law and the Constitution. The Constitution includes provisions to the effect that:

13.1 ***Rights attached to share capital***

Members are entitled to notice of, and to attend and vote at, general meetings. Subject to any CopperCo Shares which may in the future be issued with special or preferential rights (at present there are none), every CopperCo Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid CopperCo Share. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

13.2 ***Variation of rights***

The Company may only modify or vary the rights attaching to any class of CopperCo Shares with the consent in writing of the shareholders with at least 75% of the votes in the class or the sanction of a special resolution passed by at least 75% of the votes cast at a meeting of the holders of the issued shares of that class.

13.3 ***Alteration of capital***

The Company in general meeting may convert all or any CopperCo Shares into a larger or smaller number of shares by ordinary resolution.

13.4 ***Transfer of CopperCo Shares***

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and the ASTC Settlement Rules, CopperCo Shares are freely transferable. A member may transfer CopperCo Shares by a market transfer in accordance with any manner required or permitted by the ASX Listing Rules, the Corporations Act or the ASTC Settlement Rules. CopperCo Shares may also be transferred by an instrument in writing in any usual or common form or in such other form as the CopperCo Directors approve or in such form as is required by the ASTC Settlement Rules.

The Company must comply with all obligations imposed on the Company under the Corporations Act and the ASX Listing Rules in respect of any transfer of CopperCo Shares. Notwithstanding any other provision in the Constitution, the Company must not prevent, delay or interfere with the registration of a transfer of CopperCo Shares.

The CopperCo Directors may refuse to register any transfer of CopperCo Shares where: (a) the ASX Listing Rules permit the Company to do so; (b) the ASX Listing Rules require the Company to do so; or (c) the transfer is a transfer of Restricted Securities which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities pursuant to the ASX Listing Rules. Where the CopperCo Directors refuse to register a transfer of Restricted Securities they shall send a notice of the refusal and the precise reasons for the refusal to the transferee and the lodging broker (if any) in accordance with the ASX Listing Rules.

13.5 ***Pre-emption rights on new issues of CopperCo Shares***

The Constitution does not contain any pre-emption provisions.

13.6 ***General meetings***

Annual general meetings of the Company shall be held in accordance with the requirements of the Corporations Act.

Subject to the Corporations Act providing for a shorter minimum period of notice, each CopperCo Shareholder is entitled to receive at least 28 days notice of and to attend general meetings of CopperCo and to receive all notices, accounts and other documents required to be sent to CopperCo Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

The necessary quorum for the Company's general meeting is 2 CopperCo Shareholders present in person, by proxy, attorney or representative. If a quorum is not present within 15 minutes after the time appointed for a general meeting, the meeting, if convened upon a requisition shall be dissolved, but in any other case, it shall stand adjourned to a date and place to be fixed by the CopperCo Directors.

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13.7 ***Dividends***

Subject to any CopperCo Shares which may in the future be issued with special or referential rights, the CopperCo Directors may declare a dividend to be paid to CopperCo Shareholders entitled to that dividend. The CopperCo Directors may set aside out of the profits of the Company such amounts as they determine as reserves to be applied at the discretion of the CopperCo Directors for any purpose for which the profits of the Company may be properly applied.

13.8 ***CopperCo Directors***

(a) The Company shall at all times have at least three directors. The number of CopperCo Directors shall not exceed 9.

(b) The Company may by ordinary resolution, increase or reduce the number of CopperCo Directors and may also determine in what rotation the increased or reduced number is to go out of office.

(c) At each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a managing director shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. A retiring CopperCo Director is eligible for re-election. An election of CopperCo Directors shall take place each year.

(d) The Company may by ordinary resolution remove any CopperCo Director before the expiration of his or her period of office, and may by ordinary resolution appoint another person in his or her place. Removal of directors is subject to the procedural requirements in section 203D of the Corporations Act.

(e) The CopperCo Directors may at any time appoint a person to be a CopperCo Director, either to fill a casual vacancy or as an addition to the existing Directors provided that the total number of CopperCo Directors does not exceed 9.

(f) The office of director shall automatically become vacant if: (a) the CopperCo Director becomes bankrupt or makes any arrangement with creditors generally; (b) the CopperCo Director is removed from office; (c) becomes prohibited from being a CopperCo Director by reason of any order made under the Corporations Act; (d) becomes of unsound mind; (e) resigns from office by notice in writing to the Company; or (f) is absent for more than six months, without permission of the CopperCo Directors, from meetings of the CopperCo Directors held during that period.

(g) A CopperCo Director is not required to hold any CopperCo Shares.

(h) The CopperCo Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred in or about the performance of their duties as CopperCo Directors.

13.9 ***Changes in CopperCo share capital***

Subject to the ASX Listing Rules the Company may by ordinary resolution:

(a) issue new shares of such amount specified in the resolution;

(b) consolidate and divide all or any of its shares into shares of larger amount than its existing shares;

(c) sub-divide all or any of its shares of smaller amount, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a similar amount remains the same; and

(d) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and, subject to the Corporations Act, reduce the amount of its share capital by the amount of the shares so cancelled.

Subject to the Corporations Act and the ASX Listing Rules, the Company may reduce its share capital, any capital redemption reserve fund or any share premium account in any way.

The Company may, subject to the Corporations Act and the ASX Listing Rules, purchase its own shares on such terms as may be determined by the CopperCo Directors from time to time. The Company may give financial assistance to any person or entity for the purchase of its own shares in accordance with the Corporations Act on such terms and at such times as may be determined by the CopperCo Directors from time to time.

13.10 ***Powers of CopperCo Board***

(a) Without prejudice to any special rights conferred on the holders of any CopperCo Shares or class of CopperCo Shares and subject to the Constitution, the Corporations Act and the ASX Listing Rules, the CopperCo Directors may issue CopperCo Shares and options and other rights to subscribe for CopperCo Shares on such terms and conditions as the CopperCo Directors think fit.

(b) The CopperCo Directors may at any time exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

(c) The CopperCo Directors may at any time exercise all the powers of the Company to sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be acquired on such terms and conditions as they may deem advisable provided that the Company shall comply with the ASX Listing Rules and that any sale or disposition of the Company's main undertaking is made subject to the ratification of the sale or disposal by the Company in general meeting.

13.11 ***Notification of interests in CopperCo Shares***

The Constitution does not provide for the notification of interests in CopperCo Shares by CopperCo Shareholders. Such notification is governed by the Corporations Act and the ASX Listing Rules.

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13.12 ***Return of capital***

The liquidator in a winding up may, with the sanction of a special resolution of members (i.e. a resolution passed by at least 75% of the votes cast), divide among the members the whole or any part of the property of the Company and determine how the division is to be carried out as between the members or different classes of members.

13.13 ***Objects and purposes***

There are no restrictions on the objects or purpose of CopperCo. The Constitution does not contain the equivalent of a typical UK company's objects clause.

13.14 ***Prevention of a change of control***

The Constitution does not contain any relevant provisions preventing a change of control of the Company.

13.15 ***Compulsory acquisition provisions***

The Constitution does not contain any relevant provisions regarding compulsory acquisition mechanics. Please refer to the disclosure at paragraph 8 of this Part V for a summary of the relevant Australian law in this regard.

14. Legal and arbitration proceedings

14.1 ***CopperCo***

No member of the CopperCo Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CopperCo is aware) which may have or have had during the 12 months prior to the date of this document a significant effect on the financial position or profitability of the CopperCo Group.

14.2 ***Minsec***

No member of the Minsec Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have or have had during the 12 months prior to the date of this document a significant effect on the financial position or profitability of the Minsec Group.

15. Material contracts

The following is a summary of those material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the members of the CopperCo Group within the two years immediately preceding the date of this document and of those other contracts (not being contracts entered into in the ordinary course of business) that contain provisions under which any member of the CopperCo Group has an obligation or entitlement which is material to the CopperCo Group as at the date of this document.

(a) On 27 June 2008, each of Robert Champion de Crespigny AC and Keith Liddell (and their respective nominees) entered into a voluntary restriction deed with CopperCo relating to their Minsec LTIP Shares and 5,068,800 New CopperCo Shares, being three-quarters of the total number of New CopperCo Shares they are each entitled to be issued as consideration for acceptance of the Offer in respect of their Minsec Share entitlement under the Minsec LTIP (such Minsec Shares and New CopperCo Shares being "Restricted Shares").

During the period of 36 months which commences on the date that the Offer becomes or is declared wholly unconditional (the "Restriction Period"), each of Mr Champion de Crespigny and Mr Liddell (and their respective nominees) have agreed not to:

(i) dispose (as defined in the ASX Listing Rules) of, or agree or offer to dispose of any or all of the Restricted Shares; or

(ii) do or omit to do any act which may have the effect of transferring effective ownership or control of any or all of the relevant Restricted Shares.

The Restricted Shares will not be released from escrow until the end of the Restriction Period except in the following circumstances: a Takeover Bid (as defined in the Corporations Act) is made to acquire all or some of the CopperCo Shares or a scheme of arrangement pursuant to the Corporations Act between CopperCo and the holders of CopperCo Shares becomes effective in accordance with the Corporations Act (provided certain pre-requisites are met which reflect the requirements of ASX Listing Rule 9.18); if the CopperCo Board consents to such release which consent cannot be granted within the first 12 months of the Restriction Period; or if they are not appointed as a director (in the case of Robert Champion de Crespigny AC) or executive (in the case of Keith Liddell) of CopperCo or (in the case of Robert Champion de Crespigny AC) cease to be a director of CopperCo or Minsec or (in the case of Keith Liddell) cease to be a director and/or executive, of CopperCo other than where they voluntarily resign or are required to leave for actions which detrimentally affect the Company.

Each of Robert Champion de Crespigny AC and Keith Liddell has agreed to the application of a holding lock in respect of the relevant New CopperCo Shares and has given certain standard warranties to CopperCo as to, *inter alia*, ownership of those New CopperCo Shares and the power and authority to enter into the agreement. Upon breach of the voluntary restriction deed, the relevant holder will cease to be entitled to any dividends, distributions or voting rights whilst the breach continues.

(b) CopperCo and Minsec have entered into a deed of release with each of the Minsec Optionholders to issue New CopperCo Shares on the release and cancellation of their Minsec Share Options.

The number of New CopperCo Shares to be issued to Minsec Optionholders has been determined by reference to the Black Scholes option valuation model, the closing price of Minsec Shares on the ASX on 25 January 2008 of A$1.40 (the last Australian business day prior to the date of the Announcement) and the exchange ratio of the Offer of 2.2 New CopperCo Shares for each Minsec Share.

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The number of New CopperCo Shares to be issued to Minsec Optionholders on cancellation of their Minsec Share Options is set out below:

Minsec Share Options	*Aggregate number of Minsec Shares under option*	*Number of New CopperCo Shares per option*
Class B	1,300,000	0.566
Class D	7,533,333	0.911
Class E	280,000	0.440
Class F	2,500,000	0.236
MESOS	5,160,000	0.456
NEDSOS 1	35,540	0.896
NEDSOS 2	61,757	0.880

In aggregate, approximately 10.8 million New CopperCo Shares will be issued to Minsec Optionholders on release and cancellation of their Minsec Share Options.

Each deed of release contains the following key terms:

(i) The obligations of the parties (i.e. the release of the Minsec Optionholder's Minsec Share Options and the issue of New CopperCo Shares) are conditional upon:

(A) the Offer being declared unconditional in all respects;

(B) any ASX waiver required for the cancellation of the Minsec Optionholder's options being received;

(C) CopperCo holding, or having received valid acceptances under the Offer in respect of, at least 80% of Minsec Shares; and

(D) the Minsec Optionholder's options not being exercised and not having lapsed prior to satisfaction of the above conditions.

However, if CopperCo and/or any member of the CopperCo Group has acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Minsec Shares carrying in aggregate over 50% of the voting rights then exercisable at general meetings of Minsec, CopperCo may waive condition (C).

(ii) Completion will occur once the conditions in (i) above have been satisfied.

(iii) If the conditions in (i) above have not been satisfied (or alternatively waived) by 11.59 pm (London time) on 31 December 2008, then the deed of release shall terminate at that time.

(iv) The Minsec Optionholder has irrevocably and unconditionally agreed to waive any and all claims against Minsec and/or any of its subsidiaries (as defined in the Corporations Act) in respect of his Minsec Share Options with effect from Completion.

(v) Prior to completion of the deed of release, the Minsec Optionholder has agreed not to dispose of (including by way of exercise) or grant any interest in any of his Minsec Share Options, nor to enter into an agreement to do any of the foregoing, to any third party without CopperCo's prior written consent.

(c) CopperCo is a party to the Irrevocable Undertakings referred to in paragraph 7.3 of Part I of this document, each of which is dated on or about 27 June 2008.

(d) On 10 March 2008, CopperCo entered into a placing agreement (the "Placing Agreement") with GMP Securities Europe LLP ("GMP") as placing agent, regarding the placing of 56,366,666 CopperCo Shares at A$0.54 to raise approximately A$25 million net of expenses (the "Placing"). The Placing was completed in two tranches: a first tranche of 33,700,000 CopperCo Shares and a second tranche of 22,666,666 CopperCo Shares (together, the "Placing Shares") which rank *pari passu* in all respects with the existing issued CopperCo Shares. GMP agreed to act as placing agent to the Company and use its reasonable endeavours to procure subscribers for the Placing Shares in certain agreed jurisdictions. The first tranche was issued on 11 March 2008 to an institutional investor in Europe. The second tranche was issued to institutional investors in Europe and Asia Pacific in two parts. The first part of 11,259,259 CopperCo Shares was issued on 23 April 2008 and the second part consisting of 11,407,407 CopperCo Shares was issued on 28 April 2008.

The Placing Agreement contained the following material provisions:

(i) the obligations of GMP under the Placing Agreement were conditional on the passing of a resolution by CopperCo shareholders in relation to the second tranche at a meeting held on 21 April 2008;

(ii) the Company gave warranties and indemnities to GMP which were usual for an agreement of this type including a warranty as to use of proceeds which will be applied by the Company with the aim of increasing production at the Lady Annie Project to 30,000 tpa of copper cathode;

(iii) in consideration for GMP's services in connection with the Placing, the Company agreed to pay a commission of an amount equal to 5% of the aggregate value of the Placing Shares together with any applicable VAT. In addition, the Company agreed to pay GMP's reasonable legal fees up to £40,000 in respect of the Placing and admission of the Placing Shares along with GMP's other reasonable out of pocket expenses; and

(iv) the Placing Agreement is governed by English law.

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(e) On 29 January 2008, CopperCo entered into the Bidding Agreement with Minsec, which sets out the principles governing their relationship in relation to the Offer. The Bidding Agreement provided that CopperCo would announce the making of a takeover offer (in an agreed form announcement) and that Minsec would recommend the Offer and generally cooperate and provide reasonable assistance in pursuit of a successful outcome under the Offer. Minsec is permitted to withdraw any recommendation if there is a superior proposal; a material adverse change (of A$25,000,000 or more) in CopperCo's assets and liabilities, financial position and performance, profits and losses or prospects (other than where relating to hedging or derivative instruments, or any change to accounting methodology); or where a report to be prepared by an independent financial adviser appointed by Minsec concludes that the Offer is not fair and reasonable to Minsec shareholders. A full copy of the Bidding Agreement was attached to the Announcement (a copy of which is available from CopperCo's website at www.copperco.com.au).

The Bidding Agreement contains the following key terms:

(i) CopperCo and Minsec have agreed to implement the Offer in accordance with the City Code (except to the extent that any of it is disapplied by the parties) and to submit to, and abide by, any decisions of any expert appointed under Minsec's Constitution (in lieu of the Panel – which has no jurisdiction over Minsec).

(ii) The parties have also agreed to consult with each other in good faith during the course of the Offer to ascertain whether any further provisions of the City Code should be disapplied. Minsec has agreed that it will not invoke any rights of suspension under its constitution in respect of any failure on the part of CopperCo to comply with the provisions of the City Code where this is with Minsec's consent.

(iii) Under the terms of the Bidding Agreement, until the end of the Transaction Period, Minsec must not (and must not allow, permit or authorise any of its representatives to), except with the prior consent of CopperCo:

(A) directly or indirectly solicit or initiate any competing proposal which, for these purposes, includes one that could result in another person acquiring all or a substantial part of Minsec's business or assets, or 30% or more of the Minsec Shares ("Competing Proposal");

(B) participate in any discussions or negotiations, provide any information or take any other action to induce or facilitate any other person making or pursuing a Competing Proposal;

(C) enter into any agreement, arrangement or understanding in relation to a Competing Proposal or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a Competing Proposal; or

(D) make or authorise any statement, recommendation or solicitation in support of any Competing Proposal.

This restriction is subject to the standard fiduciary carve out to allow Minsec to speak with other parties if the Minsec Directors have legal advice but failure to do so would be a breach of their duties. Minsec must, however, notify CopperCo as soon as practicable if it is approached by any other party.

In return, CopperCo has agreed that, prior to the end of the Transaction Period, it will not do anything or procure anything which is or reasonably likely to be inconsistent with, or a material impediment to, the implementation of the Offer. This obligation is subject to a carve out where the CopperCo Board has legal advice that complying with such an obligation would constitute a breach of duties.

(iv) Each of Minsec and CopperCo has agreed that, until the end of the Transaction Period, it will conduct and cause each of its subsidiaries to conduct its business in the ordinary and proper course of business (save for changes that were publicly announced or disclosed prior to the date of the Bidding Agreement, or that are otherwise consented to). Each party has also specifically agreed not to enter into any material transactions for an amount in excess of (or requiring expenditure or the foregoing of revenue in excess of) A$25,000,000.

(v) Minsec has agreed to use reasonable endeavours to identify any change of control provisions that may be triggered by the Offer and to seek the consent of the relevant counterparties.

(vi) CopperCo and Minsec have agreed that CopperCo is to make offers for all unexercised Minsec Share Options on issue. Those offers will be conditional upon:

(A) CopperCo having received valid acceptances in respect of 80% of Minsec Shares and each of the other conditions to the takeover offer being satisfied or waived;

(B) any required ASX Waivers and Minsec board approval; and

(C) the Minsec Share Options not being converted prior to satisfaction of the above conditions.

The Bidding Agreement sets out the price to be offered by CopperCo (being an issue of CopperCo Shares) for each class of Minsec Share Options.

(vii) CopperCo has agreed to use all reasonable endeavours to promptly convene a meeting of its shareholders to seek any required approvals under the ASX Listing Rules. CopperCo has warranted that each of the Independent Directors of CopperCo has resolved to recommend that shareholders vote in favour of such matters, and that each CopperCo Director will make a statement confirming his intention to vote shares controlled by him in favour of such resolutions (in the absence of a material adverse change in relation to Minsec, or where he receives legal advice that a failure to change his recommendation would result in a breach of duties).

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(viii) Minsec has agreed to procure that each of Keith Liddell and Robert Champion de Crespigny AC enter into agreements limiting the number of shares they will acquire under the Minsec LTIP (upon any change in control of Minsec) to 3,072,000 Minsec Shares (being 80% of their full entitlement).

(ix) The parties have agreed that the settlement date for the transfer of shares in Zambezi Resources Limited from Minsec Australia to CopperCo is to be postponed until five days after the end of the Transaction Period.

(f) On 3 December 2007, CopperCo (as obligor) entered into a facility agreement as amended ("LinQ Facility Agreement") in connection with the Lady Annie Project with Perpetual Corporate Trust Limited as custodian of the LinQ Resources Fund and as agent for LinQ Capital Limited (as lender) and LinQ Capital Limited as responsible entity for the LinQ Resources Fund. The borrower under the LinQ Facility Agreement is Lady Annie Operations. The LinQ Facility Agreement comprised an A$5,000,000 facility ("LinQ Facility"), with a final maturity date of 11 April 2008, and an interest rate of 2.70 % per annum above the Australian interbank base rate.

As consideration for providing the LinQ Facility, the lender also received certain upfront fees and options in respect of shares in CopperCo. The LinQ Facility was unsecured.

The LinQ Facility Agreement does not contain any representations. It contains an undertaking requiring CopperCo to raise A$25,000,000 of equity by 29 February 2008. It contains events of default in respect of non-payment and enforcement action being taken under the Senior Facility Agreement, the Subordinated Facility Agreement or the Project Security.

There are no material outstanding obligations under this agreement.

(g) On 3 December 2007, CopperCo (as obligor) entered into a facility agreement, as amended ("Bell Facility Agreement") in connection with the Lady Annie Project with Bell Co Pty Ltd (as lender). The borrower under the Bell Facility Agreement is Lady Annie Operations. The Bell Facility Agreement comprised an A$2,500,000 facility ("Bell Facility"), with a final maturity date of 18 March 2008, and an interest rate of 2.70% per annum above the Australian interbank base rate.

As consideration for providing the Bell Facility, the lender has also received certain upfront fees and options in respect of shares in CopperCo. The Bell Facility was unsecured.

The Bell Facility Agreement does not contain any representations. It contains an undertaking requiring CopperCo to raise A$25,000,000 of equity by 29 February 2008 which has now been completed. It contains events of default in respect of non-payment and enforcement action being taken under the Senior Facility Agreement, the Subordinated Facility Agreement or the Project Security.

There are no material outstanding obligations under this agreement.

(h) On 3 December 2007, CopperCo (as obligor) entered into a facility agreement as amended ("Moore Facility Agreement") in connection with the Lady Annie Project with Simon Moore (as lender). The borrower under the Moore Facility Agreement is Lady Annie Operations. The Moore Facility Agreement comprised an A$2,500,000 facility ("Moore Facility"), with a final maturity date of 28 March 2008, and an interest rate of 2.70% per annum above the Australian interbank base rate.

As consideration for providing the Moore Facility, the lender has also received certain upfront fees and is to receive, if approval of CopperCo Shareholders is obtained, options in respect of CopperCo Shares or, if approval of CopperCo Shareholders is not obtained, a fee in lieu of those options. The Moore Facility is unsecured.

The Moore Facility Agreement does not contain any representations. It contains an undertaking requiring CopperCo to raise A$25,000,000 of equity by 29 February 2008. It contains events of default in respect of non-payment and enforcement action being taken under the Senior Facility Agreement, the Subordinated Facility Agreement or the Project Security.

There are no material outstanding obligations under this agreement.

(i) On 5 June 2007, CopperCo and Minsec Australia entered into heads of agreement under which CopperCo has agreed to purchase 8,000,000 fully paid ordinary shares in Zambezi Resources Limited from Minsec Australia. The shares were to be transferred together with all rights attached to them as at 5 June 2007 and any which accrue between that date and completion (including the right to any dividends).

The consideration payable for the shares is A$3,814,064. However, each of CopperCo and Minsec Australia is entitled to elect that CopperCo pay for the shares by issuing CopperCo Shares. If CopperCo elects to pay in CopperCo Shares, the number of CopperCo Shares is to be determined based on a deemed price of the lower of A$0.65 and 90% of the one month volume weighted average price of CopperCo Shares on ASX. If Minsec Australia elects to be paid in CopperCo Shares, the number of CopperCo Shares it to be determined based on a deemed price of A$0.65. In each case, an election for consideration to be paid in CopperCo Shares is subject to the receipt of regulatory approvals, and if Minsec Australia makes the election, it may require CopperCo to seek shareholder approvals if required. If CopperCo Shares are to be issued, Minsec Australia will be restricted from transferring those CopperCo Shares for 12 months, unless CopperCo is able to issue a secondary trading notice to ASX which will allow that sale to be made without a disclosure document under Australian law.

To the extent that the heads of agreement create a debt owing by CopperCo to Minsec Australia, that debt is to be unsecured and is subordinated to the debts owing by CopperCo to Macquarie Bank, Glencore and LinQ Capital Limited. CopperCo's financing arrangements also restrict which of its funds it may use to pay any purchase price to be paid in cash.

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Completion of the agreement was due to occur on 30 June 2008. However, CopperCo and Minsec have agreed in the Bidding Agreement (described above) to postpone settlement to a date which is five Business Days after the end of the Transaction Period.

(j) On 3 May 2007, CopperCo (as guarantor and obligor) entered into a senior facility agreement, as amended ("Senior Facility Agreement") in connection with the Lady Annie Project with Macquarie Bank (as lender, agent, security trustee and hedge provider). The borrower under the Senior Facility Agreement is Lady Annie Operations. Lady Annie Pty Ltd, CopperCo Queensland and Savannah Resources are also party to the Senior Facility Agreement as guarantors and obligors. The Senior Facility Agreement, as amended, comprises the following facilities ("Senior Facilities"):

(i) an A$55,000,000 project loan facility, with monthly amortisation payments commencing on 31 October 2008, with the final maturity date of 30 November 2009, and an interest rate of 2.7% per annum above the Australian interbank base rate;

(ii) an A$15,000,000 cost overrun facility, reducing to A$12,000,000 on 30 November 2009, to A$9,000,000 on 31 December 2009, to A$5,000,000 on 31 January 2010 and with a final maturity date of 28 February 2010, and an interest rate of 5% per annum above the Australian interbank base rate; and

(iii) an A$8,300,000 performance bond facility with a final maturity date of 31 December 2009, and a performance bond fee of 2% per annum.

As consideration for providing the Senior Facilities, the lender has also received certain fees and options in respect of shares in CopperCo.

The Senior Facilities are secured by security ("Project Security") granted by CopperCo, Lady Annie Operations, Lady Annie Pty Ltd, CopperCo Queensland and Savannah Resources over all or substantially all of their assets. The Project Security is held by Macquarie Bank as security trustee *pari passu* for the finance parties under the Senior Facility, for Macquarie Bank as provider of the Project Hedging (defined below), and on a subordinated basis for the Subordinated Lenders (as defined below) under the Subordinated Facility (as defined below).

The Senior Facility Agreement contains representations, undertakings (including, but not limited to, financial ratios and restrictions on granting security, incurring indebtedness, paying dividends and making disposals or acquisitions), events of default (including, but not limited to, non-payment, cross-default, insolvency events, and material adverse change) and review events (including, but not limited to, change of control and keyman provisions) which are fairly standard for a senior project facility of this sort.

(k) On 3 May 2007, CopperCo (as guarantor and obligor) entered into a subordinated facility agreement ("Subordinated Facility Agreement") in connection with the Lady Annie Project with Macquarie Bank (as lender, agent and security trustee), Glencore (as lender) and Perpetual Corporate Trust Limited as custodian of the LinQ Resources Fund and as agent for LinQ Capital Limited (together Macquarie Bank, Glencore and Perpetual Corporate Trust Limited as "Subordinated Lenders") and LinQ Capital Limited as responsible entity for the LinQ Resources Fund. The borrower under the Subordinated Facility Agreement is Lady Annie Operations. Lady Annie Pty Ltd, CopperCo Queensland and Savannah Resources are also party to the Subordinated Facility Agreement as guarantors and obligors. The Subordinated Facility Agreement comprises an A$20,000,000 subordinated facility ("Subordinated Facility"), with a final maturity date of 30 June 2010, and an interest rate of 2.70% per annum above the Australian interbank base rate.

As consideration for providing the Subordinated Facility, the Subordinated Lenders have also received certain fees and options in respect of shares in CopperCo. The Subordinated Facility is secured by the Project Security.

The Subordinated Facility Agreement contains representations, undertakings (including, but not limited to, financial ratios and restrictions on granting security, incurring indebtedness, paying dividends and making disposals or acquisitions), events of default (including, but not limited to, non-payment, cross-default, insolvency events, and material adverse change) and review events (including change of control and keyman provisions) which are fairly standard for a subordinated project facility of this sort.

(l) On 3 May 2007, Lady Annie Operations entered into an ISDA Master Agreement ("ISDA") with Macquarie Bank. Lady Annie Operations has entered into various copper hedging transactions with Macquarie Bank ("Project Hedging") which are governed by the terms of the ISDA. The Project Hedging is secured by the Project Security.

The ISDA is on fairly standard terms for hedging of this sort, and includes, as an additional event of default, all the events of default contained in the Senior Facility Agreement.

On 12 December 2007, a restructure was entered into for 34.1 Kt flat forward at A$7,054/t until July 2010 (33 Kt remaining January 2008), representing approximately 1.1 Kt per month.

From April 2009 to July 2010 a further 450t per month will be delivered at a flat forward price of A$ 7,940/t.

(m) On 18 December 2006, Lady Annie Operations (a wholly owned subsidiary of CopperCo) and Glencore entered into an offtake agreement. Pursuant to the agreement, Lady Annie Operations agreed to sell to Glencore LME unregistered grade 'A' copper cathodes (conforming to certain specifications) representing the total production of the Lady Annie Project over the life of the mine (estimated to be until the end of 2015). The product is to be shipped in regular lots in accordance with a shipment schedule to be agreed. The price is based upon the official LME cash settlement price averaged over the quotational period plus a premium benchmarked to the official long term contract premium announced annually by Codelco basis average Cost Insurance Freight Asia and less a fixed discount per metric ton. Unless determined otherwise, product is to be shipped (on a cost, insurance and freight basis) to one of a number of agreed ports.

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(n) On 15 December 2006, CopperCo and its wholly owned subsidiary, Lady Annie Operations, entered into a Sulphuric Acid Supply Agreement with Incitec Pivot Limited ("Incitec"). Pursuant to this agreement, Incitec agrees to supply Lady Annie Operations with sulphuric acid in accordance with certain product specifications at a fixed price per tonne (delivered into Lady Annie Operations' storage tank at the mine site) until 30 June 2008 and thereafter (on a yearly basis) in accordance with a pricing formula that takes into account the previous 12 month cost of sulphur and the effects of inflation. The agreement has a five year term (commencing 1 April 2007) but may be extended by agreement. During the term of the agreement, CopperCo agrees to acquire its entire sulphuric acid supply from Incitec unless Incitec is unable to supply. The agreement provides for a minimum purchase amount (of 2,000 tonnes per month) and a maximum supply amount (of 3,750 tonnes per month). CopperCo has agreed to guarantee Lady Annie Operations' obligations under the agreement.

16 Exploration and Mining Licences

16.1 *CopperCo*

Exploration Licences

CopperCo holds a number of exploration licenses ("Exploration Licenses") which are detailed in the table below. These Exploration Licenses were granted by the Minister for Natural Resources and Mines in the State of Queensland. Each Exploration License is subject to conditions the material provisions of which are as follows:

(a) The Licensee must comply with a Code of Conduct (approved by the Minister for Resource Industries) during the term of the exploration tenement and any renewal of the term.

(b) The Licensee is required to comply with certain express procedures regarding pre-exploration including: (a) appointing a field supervisor; (b) pre-planning exploration activities in consultation with landowners to cause minimum disturbance to the landowner and damage to the land; and (c) contacting the Shire Clerk of the relevant local authority area detailing the location of exploration activities and to discuss with the Shire Clerk road access and logistics.

(c) The Licensee is subject to various conditions relating to exploration activities including: (i) minimising the destruction of trees; (ii) the proper treatment of watercourses; (iii) avoiding littering; (iv) minimising fire risks; and (v) replacing topsoil over rehabilitated excavations.

(d) The Exploration Licenses are subject to reporting conditions, including the submission to the Minister for Natural Resources and Mines of twelve monthly reports within one month of the end of each year of the term of the licence and final reports upon expiry of the license.

(e) It is a condition of each Exploration License that the prescribed rental be paid on each anniversary of the respective date of grant.

Tenement	*Holder*	*Entity's interest*	*Grant date*	*Renewal date*
EPM7487	CopperCo Limited	100%	29-Aug-1990	28-Aug-2008
EPM9916	Lady Annie Operations Pty Ltd	100%	17-Feb-1994	16-Feb-2010
EPM11185	CopperCo Limited	100%	13-Sep-1996	31-Dec-2010
EPM11586	CopperCo Limited	100%	08-Oct-2004	07-Oct-2009
EPM11637	Lady Annie Operations Pty Ltd	100%	19-Aug-2004	18-Aug-2009
EPM11649	CopperCo Limited	100%	08-Oct-2004	07-Oct-2009
EPM11660	CopperCo Limited	100%	08-Oct-2004	07-Oct-2009
EPM11661	CopperCo Limited	100%	08-Oct-2004	07-Oct-2009
EPM11669	Lady Annie Operations Pty Ltd	100%	18-Aug-2004	17-Aug-2007[1]
EPM11670	Lady Annie Operations Pty Ltd	100%	19-Aug-2004	18-Aug-2007[1]
EPM11672	Lady Annie Operations Pty Ltd	100%	14-Sep-2004	13-Sep-2007[1]
EPM11692	Millenium Minerals (Operations) Pty Ltd	100%	05-Aug-2004	04-Aug-2009
EPM11777	Lady Annie Operations Pty Ltd	100%	18-Aug-2004	17-Aug-2007[1]
EPM11919	Millenium Minerals (Operations) Pty Ltd	100%	16-Jul-2003	15-Jul-2008
EPM11920	Millenium Minerals (Operations) Pty Ltd	100%	16-Jul-2003	15-Jul-2008
EPM12589	Lady Annie Operations Pty Ltd	100%	24-Aug-2004	23-Aug-2009
EPM13176	Savannah Resources Pty Ltd	100%	14-Aug-2003	13-Aug-2005[1]
EPM13177	Savannah Resources Pty Ltd	100%	09-Nov-2005	08-Nov-2007[1]
EPM13331	Lady Annie Operations Pty Ltd	100%	01-May-2001	30-Apr-2006[1]
EPM13739	Lady Annie Operations Pty Ltd	100%	23-Sep-2002	22-Sep-2007[1]
EPM14112	Lady Annie Operations Pty Ltd	100%	14-Sep-2004	13-Sep-2009
EPM14149	Lady Annie Operations Pty Ltd	100%	20-Oct-2004	19-Oct-2008
EPM14259	CopperCo Limited	100%	19-Oct-2004	18-Oct-2009
EPM14384	Savannah Resources Pty Ltd	100%	13-Sep-2005	12-Sep-2010
EPM14424	Savannah Resources Pty Ltd	100%	27-Jun-2005	26-Jun-2010
EPM14693	Savannah Resources Pty Ltd	100%	28-Sep-2007	27-Sep-2012
EPM14697	Savannah Resources Pty Ltd	100%	21-Aug-2006	20-Aug-2011
EPM15126	CopperCo Limited/Terrance Burt	51%//49%	22-Aug-2006	21-Aug-2011
EPM15321	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM16240	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM16241	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM16242	Lady Annie Operations Pty Ltd	100%	Application pending	

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Tenement	*Holder*	*Entity's interest*	*Grant date*	*Renewal date*
EPM16243	Savannah Resources Pty Ltd	100%	Application pending	
EPM16244	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM16529	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM16530	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17088	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17165	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17167	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17170	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17281	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17295	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17298	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17308	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17311	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17312	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17339	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17411	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17412	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17414	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17415	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17418	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17419	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17428	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17429	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17432	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17433	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17442	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17469	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17470	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17490	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17491	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17493	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17494	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17495	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17497	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17498	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17525	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17527	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17530	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17531	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17533	Lady Annie Operations Pty Ltd	100%	Application pending	
EPM17535	Lady Annie Operations Pty Ltd	100%	Application pending	

Note:

[1] Renewal lodged

Mining Licences

CopperCo holds a number of mining licences ("Mining Licences") issued by the Department of Mines and Energy Queensland. Whilst each Mining Licence contains a broad range of terms relating to its grant, key details for each Mineral Licence are set out in the table below.

Tenement	*Holder*	*Entity's interest*	*Grant date*	*Renewal date*
ML5426	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2027
ML5435	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2009
ML5446	Lady Annie Operations Pty Ltd	100%	14-Feb-1974	28-Feb-2010
ML5447	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2010
ML5448	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2010
ML5474	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2011
ML5476	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2011
ML5478	Lady Annie Operations Pty Ltd	100%	10-Jan-1974	31-Jan-2011
ML90168	Lady Annie Operations Pty Ltd	100%	14-Dec-2006	31-Dec-2027
ML90169	Savannah Resources Pty Ltd	100%	14-Dec-2006	31-Dec-2027
ML90170	Lady Annie Operations Pty Ltd	100%	14-Dec-2006	31-Dec-2027
ML90178	Lady Annie Operations Pty Ltd	100%	09-Aug-2007	31-Aug-2028
MLA90179	Lady Annie Operations Pty Ltd	100%	Application pending	
MLA90184	Lady Annie Operations Pty Ltd	100%	Application pending	

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16.2 ***Minsec***

The Minsec Group hold a number of licences, leases and permits, specific details of which are set out in the table below.

Tenements	*Entity's Interest*	*Grant date*	*Renewal date*
Australis Exploration Pty Limited			
Northern Territory			
EL 26302	100%	08-Apr-2008	07-Apr-2013
EL 26303	100%	08-Apr-2008	07-Apr-2013
EL 26304	100%	01-Apr-2008	31-Mar-2013
EL 26305	100%	08-Apr-2008	07-Apr-2013
EL 26307	100%	08-Apr-2008	07-Apr-2013
EL 26308	100%	08-Apr-2008	07-Apr-2013
EL 26309	100%	08-Apr-2008	07-Apr-2013
EL 26310	100%	08-Apr-2008	07-Apr-2013
EL 26311	100%	08-Apr-2008	07-Apr-2013
EL 26312	100%	08-Apr-2008	07-Apr-2013
EL 26314	100%	08-Apr-2008	07-Apr-2013
EL 26701	100%	App. pending	
EL 26702	100%	App. pending	
EL 26703	100%	App. pending	
Queensland			
EPM 16607	100%	App. pending	
EPM 16609	100%	App. pending	
EPM 16611	100%	App. pending	
EPM 16616	100%	App. pending	
EPM 16619	100%	App. pending	
EPM 16633	100%	App. pending	
EPM 16789	100%	App. pending	
EPM 16790	100%	App. pending	
EPM 16791	100%	App. pending	
EPM 16792	100%	App. pending	
EPM 16793	100%	App. pending	
EPM 16794	100%	App. pending	
EPM 16795	100%	App. pending	
EPM 16796	100%	App. pending	
EPM 16797	100%	App. pending	
EPM 16798	100%	App. pending	
EPM 16828	100%	App. pending	
EPM 16829	100%	App. pending	
EPM 16830	100%	App. pending	
EPM 16831	100%	App. pending	
EPM 16832	100%	App. pending	
EPM 16833	100%	App. pending	
EPM 16834	100%	App. pending	
EPM 17013	100%	App. pending	
EPM 17014	100%	App. pending	
EPM 17015	100%	App. pending	
EPM 17016	100%	App. pending	
EPM 17017	100%	App. pending	
EPM 17020	100%	App. pending	
EPM 17022	100%	App. pending	
EPM 17024	100%	App. pending	
EPM 17482	100%	App. pending	
EPM 17483	100%	App. pending	
Allied Mining Pty Limited			
Western Australia			
E77/1571	100%	App. pending	
E77/1572	100%	App. pending	
E77/1573	100%	App. pending	

Tenements	*Entity's Interest*	*Date of grant*	*Expiry date*
Buka Gold Limited			
Gympie Eldorado Mining Pty Limited (subsidiary)			
Queensland			
ML 3677	100%	20-Mar-1975	31-Mar-2012
ML 3771	100%	15-Mar-1990	31-Mar-2011
ML 3772	100%	25-Oct-1990	31-Oct-2021
ML 6824	100%	30-Jan-1992	31-Jan-2013

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Tenements	*Entity's Interest*	*Date of grant*	*Expiry date*
ML 50114	100%	01-Jun-2000	30-Jun-2021
ML 50160	100%	13-Jul-2000	31-Jul-2020
ML 50174	100%	09-Aug-2001	31-Aug-2021
ML 50188	100%	01-Jun-2006	30-Jun-2027
EPM 6031	100%	07-Sep-1989	06-Sep-2008
EPM 14859	100%	22-Jun-2005	21-Jun-2010
EPM 14860	100%	28-Feb-2005	27-Feb-2016
EPM 16032	100%	29-Jan-2007	28-Jan-2012
EPM 16074	100%	06-Mar-2007	05-Mar-2010
EPM 16655	100%	28-Nov-2007	27-Nov-2012
EPM 16818	100%	App. Pending	
EPM 16819	100%	App. Pending	
EPM 16820	100%	App. Pending	
EPM 16821	100%	13-Dec-2007	12-Dec-2012
EPM 16822	100%	13-Dec-2007	12-Dec-2012
EPM 16823	100%	App. Pending	
EPM 16824	100%	13-Dec-2007	12-Dec-2012
EPM 16825	100%	App. Pending	
Buka Minerals (Lady Loretta No. 2) Pty Ltd			
(Lady Loretta Joint Venture Agreement)			
Queensland			
ML5568	25%	26-Jan-1984	31-Jan-2026
SL46006	25%	30-Aug-2004	29-Aug-2025
Thrace Minerals-Hellas S.A.			
Greece			
ML850/11.02.1993	100%	11-Feb-1993	10-Feb-2013
Shandong Yantai Golden Sea Mining Company Ltd			
Qixia, China			
T37120080502007706	75%	22-May-2008	31-Mar-2010
3700000620856	75%	14-Apr-2008	31-Dec-2009
3700000730418	75%	01-Aug-2007	30-Sep-2008
3700000620866	75%	22-Nov-2006	29-Sep-2008
3700000730610	75%	10-Sep-2007	30-Jun-2009
3700000730611	75%	10-Sep-2007	30-Jun-2009
3700000720867	75%	12-Dec-2007	30-Jun-2008
3700000730868	75%	12-Dec-2007	30-Jun-2009
T37120080302003752	75%	19-Mar-2008	30-Sep-2009
T37120080302003765	75%	19-Mar-2008	30-Sep-2009

Note:

ML = Mining Lease
EL = Exploration Licence
E = Exploration Licence
EPM = Exploration Permit for Minerals
SL = Special Lease

All tenements granted except those shown as "App. pending".

17. Taxation

17.1 ***United Kingdom taxation***

The following paragraphs are intended as a general guide only for Minsec Shareholders who accept the Offer, who are resident or ordinarily resident individuals or companies in the United Kingdom for tax purposes and who will hold New CopperCo Shares as investments and not in the course of a trade. They are based on current legislation and UK HM Revenue & Customs practice and assume that the proposed Legislation contained in the Finance Bill published on 27 March 2008 will be enacted without any relevant amendments being made. These paragraphs are not exhaustive and are intended as a general guide only and it is assumed that the Minsec Shareholder is not a trader or charity or other person with special tax status or claiming special tax relief or treatment or a person regarded as having his Minsec Shares by reason of employment.

Prospective holders of New CopperCo Shares who are in any doubt about their tax position, or who are subject to taxation in a jurisdiction other than the UK or any of the other jurisdictions specifically mentioned in this paragraph below, should consult their own professional independent adviser immediately.

Taxation of chargeable gains

If a CopperCo Shareholder disposes of New CopperCo Shares, a liability to tax on chargeable gains may arise (subject to availability of any relief exemptions or allowable losses).

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Dividends

(a) Except in the case of shares held by individuals or companies dealing in shares, dividends paid by CopperCo will be assessable to income tax under Part 4 of the Income Tax (Trading and Other Income) Act 2005 or corporation tax.

(b) Corporate CopperCo Shareholders will be required to pay tax at a rate of 28% to the extent they are subject to the main rate of corporation tax and at the rate of 21% to the extent they are subject to the small companies' rate on the gross dividends they receive. Marginal rates apply where a corporate CopperCo Shareholder's profits exceed the small companies' rate threshold but not the threshold for the main rate.

UK corporate shareholders holding 10% or more of CopperCo's share capital may be entitled to claim relief against UK corporation tax in respect of CopperCo's underlying tax paid on the profits which are distributed by way of dividend. The extent to which such foreign tax may be set against a UK taxpayer's liability in the UK will depend on the particular circumstances of the taxpayer and the provision of any double taxation convention then in force.

(c) A UK Resident individual CopperCo Shareholder who owns 10% or more of the issued share capital of the Company and who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10% (or if he is claiming the remittance basis of taxation the basic rate (currently 20%)) of the dividend, grossed up to take account of any withholding tax deducted at source. To the extent that the gross dividend falls above the threshold for higher rate income tax when treated as the top slice of the UK Resident individual CopperCo Shareholder's income, the UK Resident individual CopperCo Shareholder will be subject to tax at a rate of 32.5% (or if he is claiming the remittance basis of taxation the higher rate (currently 40%)).

(d) A UK Resident individual CopperCo Shareholder will, subject to certain conditions, be entitled to receive a UK tax credit in respect of any dividend received from the Company if he holds less than a 10% shareholding in the Company. It is further proposed that the entitlement to the tax credit will be extended to UK resident individual shareholders owning 10% or more of the Company's share capital in the Finance Act 2009.

The value of the tax credit is one-ninth of the amount of the dividend received (or 10% of the aggregate amount of the dividend and tax credit (the "gross dividend")). Provided that the individual is not claiming the remittance basis of taxation the individual will be liable to income tax on the gross dividend which will be regarded as the top slice of his income for tax purposes and will be subject to UK income tax at the dividend rate of tax described below.

Individuals who are not higher rate taxpayers will be liable to tax on the gross dividend at 10%. This means that the tax credit will satisfy such individual's liability to pay income tax in respect of the gross dividend and there will be no further tax to pay.

In the case of individuals who are liable to income tax at the higher rate, tax will be payable on dividends at the "dividend upper rate" (currently 32.5%). The 10% tax credit will be set against his liability to tax in respect of the gross dividend. Therefore, he will have to pay additional tax equal to 22.5% of the gross dividend (or 25% of the net dividend received).

(e) If the relevant UK resident individual shareholder is claiming the remittance basis of taxation and remits any dividend received from the Company, the individual will pay UK income tax on the gross dividend of 20% of the gross dividend less the related tax credit, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the gross dividend of 40% of the gross dividend less the related tax credit.

(f) Both individual and corporate CopperCo Shareholders may be entitled to relief for any withholding tax suffered at source.

(g) On the basis that shares are to be listed on the ASX they are capable of being held in an ISA.

Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax is payable on the transfer or issue of New CopperCo Shares by CopperCo to Minsec Shareholders.

17.2 ***Australian taxation***

The following paragraphs are intended as a general guide only for Minsec Shareholders who accept the Offer. The paragraphs below comment on the general Australian taxation position of individual and corporate resident and non-resident shareholders of CopperCo in relation to the holding and disposing of their New CopperCo Shares.

The following comments are intended as a general guide to the Australian tax implications only. They should not be a substitute for advice from an appropriate professional adviser and all shareholders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on the law and understanding of the practice of the tax authorities in Australia as at the date of this document. These are subject to change periodically as is their interpretation by the courts.

The comments do not apply to shareholders who hold their New CopperCo Shares on revenue account. Shareholders who trade their New CopperCo Shares in the ordinary course of their business or who purchased their New CopperCo Shares for speculative purposes with the intention of selling them at a profit rather than holding them longer term to earn future dividends will hold their New CopperCo Shares on revenue account.

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Taxation consequences of owning New CopperCo Shares

In the case of Australian resident individuals and companies, CopperCo would be able to issue fully franked dividends (to the extent it has sufficient franking credits). Shareholders must include dividends in their assessable income and to the extent they are franked, an additional amount equivalent to the underlying franking credit. Shareholders are entitled to a rebate of tax equal to the amount of the franking credit.

In the case of non-resident shareholders, withholding tax will apply to the extent a dividend is not franked and the profits are not attributable to foreign exempt income. Withholding tax will be withheld by CopperCo and will apply at a rate of 30%, or in the case of non-resident shareholders who are entitled to a reduced rate applicable under a double tax treaty, that reduced rate, which in most cases is 15%.

Disposal of New CopperCo Shares

The Australian tax consequences of any disposal of New CopperCo Shares will be similar to the consequences of the disposal of your current Minsec Shares (unless your intention in relation to the New CopperCo Shares is such that they are no longer held on capital account). However, there will be a difference in the cost base where the New CopperCo Shares are held on capital account depending on whether roll-over relief was available on the disposal of your Minsec Shares and you chose it.

If you elected to use rollover relief then the cost base of the New CopperCo Shares will be equal to the cost base of those Minsec Shares for which the rollover relief was available.

Alternatively, if rollover relief was not available or you did not choose it, then the cost base of New CopperCo Shares will in general terms be equal to the market value of the relevant Minsec Shares exchanged for the New CopperCo Shares at the time the New CopperCo Shares were received.

In the case of non-resident shareholders holding less than 10% of CopperCo Shares on issue, a CGT exemption will be available to exclude any gain or loss from Australian taxation.

In the case of a non-resident shareholder holding 10 per cent or more issued CopperCo Shares, any disposal of New CopperCo Shares will be subject to CGT unless the value of CopperCo is not predominantly attributable to 'taxable Australian property' at the time of disposal. It is possible that immediately following the acquisition of Minsec by CopperCo, the value of CopperCo may be predominately attributable to taxable Australian property. Therefore it is strongly recommended that non-resident shareholders seek independent advice at the time they dispose of their New CopperCo Shares.

17.3 ***Certain Cypriot tax consequences***

Taxation of Capital Gains

Any profits from the disposal of securities (shares, bonds, debentures, founder's shares and other company securities), other than shares in companies owning immovable property, are exempt from taxation under Cypriot Income Tax Law and Capital Gains Tax Law. Gains from the sale of shares of companies owning immovable property in Cyprus will continue to be subject to capital gains tax.

Taxation of Dividends

Generally, dividends are exempt from Cypriot income tax, however a 15% special defence contribution tax is levied on dividend income received by a Cypriot resident person (company or individual), subject to the following exemption:

Dividends payable from non-resident companies to resident companies are exempt from special defence contribution tax provided that the Cypriot resident company receiving them owns at least 1% of the company paying them. The above exemption does not apply, however, if the Cypriot or controlled foreign company provisions are triggered, namely if:

(a) more than 50% of the paying company's activities result in investment income; and

(b) the foreign tax is significantly lower than the tax rate payable in Cyprus.

Dividends paid abroad to persons resident outside of Cyprus do not attract withholding tax.

17.4 ***Certain Hong Kong tax consequences***

Residents of Hong Kong will not be taxed on dividends received from CopperCo, or capital gains made on the disposal of CopperCo Shares. However, trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where the gains are derived from or arise in Hong Kong from the trade, profession or business will be chargeable to Hong Kong profits tax, which is currently imposed at the rate of 17.5% on corporations and at a maximum rate of 16% on individuals. Certain categories of taxpayers are likely to be regarded as deriving trading gains rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers could prove that the investment securities are held for a long-tem investment purpose. No Hong Kong stamp duty will be payable on the issue or transfer of CopperCo Shares.

17.5 ***Certain Irish tax consequences***

The following is a summary of certain Irish tax considerations under current law which may be applicable to certain Minsec Shareholders. This summary is based on the laws as in force and as applied in practice on the date of this document and is subject to changes to those laws and practices subsequent to the date of this document. This summary is of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to a particular Minsec Shareholder. Minsec Shareholders are advised to consult their own tax advisers with respect to the application of Irish taxation laws to their particular circumstances in relation to the proposal.

This summary only applies to Minsec Shareholders that legally and beneficially hold their Minsec Shares as a capital asset (and not as an asset of a financial or other trade). This section applies to Minsec Shareholders that (i) beneficially own the Minsec Shares registered in their name; (ii) in the case of individual Minsec Shareholders are resident, ordinarily resident

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and domiciled in Ireland under Irish taxation laws; (iii) in the case of Minsec Shareholders that are companies, are resident in Ireland under Irish taxation laws; and (iv) are not considered resident in any country other than Ireland for the purposes of any double taxation agreement entered into by Ireland (together "Irish Minsec Shareholders").

Disposal of Minsec Shares and receipt of New CopperCo Shares

(a) Taxation of Chargeable Gains

The disposal of the Minsec Shares of an Irish Minsec Shareholder in consideration of the issue of the New CopperCo Shares may be subject to Irish capital gains tax ("CGT") (in the case of individuals) or Irish corporation tax ("CT") (in the case of companies) where the market value of the New CopperCo Shares (as at the date of their acquisition by an Irish Minsec Shareholder) exceeds the indexed base cost of the Minsec Shares of the Irish Minsec Shareholder. Irish Minsec Shareholders may be able to avail of rollover relief pursuant to section 587 Taxes Consolidation Act 1997 (Company reconstructions and amalgamations), such that they will be treated as not disposing of their Minsec Shares, and their New CopperCo Shares will be treated as being acquired at the same base cost and time of acquisition as the relevant Minsec Shares. Further, Irish Minsec Shareholders that are companies may be able to avail of an exemption from CGT on the disposal of their Minsec Shares, where the conditions of section 626B Taxes Consolidation Act 1997 (Exemption from tax in the case of gains on disposals of shares) are satisfied.

(b) Stamp Duty

No Irish stamp duty should be payable on the transfer of the Minsec Shares in exchange for the New CopperCo Shares, on the basis that both Minsec and CopperCo are not Irish incorporated companies.

Dividends on New CopperCo Shares

Individual Irish Minsec Shareholders will be subject to income tax at that individual's applicable rate of tax and applicable levies on the gross dividend. Corporate Irish Minsec Shareholders will be subject to Irish corporation tax on dividends received from CopperCo. Irish Minsec Shareholders may be entitled to claim relief for any foreign withholding tax and underlying foreign taxes imposed however, the extent to which such foreign tax may be set against an Irish Minsec Shareholder's liability will depend on the particular circumstances of the taxpayer and the provisions of any applicable double taxation agreement then in force.

Disposal of New CopperCo Shares

A disposal or deemed disposal of New CopperCo Shares by an Irish Minsec Shareholder may, subject to any available exemptions (as referred to above), give rise to a chargeable gain or an allowable loss for the purposes of the calculation of Irish taxation on capital gains. The calculation of taxation of chargeable gains is as set out above.

17.6 ***Certain New Zealand tax consequences***

The following paragraphs are intended as a general guide only for Minsec Shareholders who accept the offer and who are resident in New Zealand for tax purposes. There paragraphs are not exhaustive and are based on the law and practice in New Zealand at the date of this document. These paragraphs are also based on the assumption that the Minsec Shareholder will hold less than 10% of the total shares in CopperCo.

The New Zealand Foreign Investment Fund ("NZFIF") rules apply to interests in Foreign Investment Funds ("FIFs") held by New Zealand tax residents. FIFs include shares in companies not resident in New Zealand.

There are a number of exemptions to the NZFIF rules. Two of these exemptions are as follows:

(a) for shares of an Australian resident listed company where those shares are included in an index that is an approved index under the ASX Market Rules, made under Chapter 7 of the Corporations Act; and

(b) for natural persons where the value of all the interests they hold in all FIFs is NZ$50,000 or less at all times during the relevant income year.

CopperCo Shares were admitted to the S&P/ASX 300 Index on 21 March 2008 and this is an index that satisfies the requirements in (a) above.

Prospective holders of New CopperCo Shares who are resident in New Zealand and who have any doubts as to whether the NZFIF rules would apply to their holding of New CopperCo Shares should take professional advice on the issue.

Taxation treatment if NZFIF rules do not apply

New Zealand does not have a capital gains tax and the disposal of shares not held on revenue account will not be taxable. Where the shares are held on revenue account, the shareholder will be liable to income tax on the profit made on the disposal. Generally, a share will be held on revenue account if it was acquired for the purpose of disposal or if it was acquired as part of a business in dealing in shares.

For individual shareholders, dividends received must be included in their taxable income. Shareholders will receive a credit against the New Zealand tax on a dividend for any withholding tax paid in respect of the dividend in Australia. No credit will be given for Australian franking credits attached to a dividend.

Dividends received by shareholders that are taxed as companies are exempt from New Zealand income tax. However, the shareholder company is required to deduct a foreign dividend withholding payment ("FDWP") from the dividend. The FDWP is equal to the gross amount of the dividend (i.e. the amount received plus any withholding tax deducted) times the New Zealand company tax rate less any withholding tax deducted. From 1 April 2008 the company tax rate is 30%

For example, if a gross dividend of NZ$100 with NZ$15 withholding tax deducted is received by a company on or after 1 April 2008, the FDWP will be NZ$15 (i.e. (NZ$100 x 30%) – NZ$15). FDWP is to be paid to the New Zealand Inland Revenue by the 20th of the month following the end of the calendar quarter in which the dividend is received.

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Taxation treatment if NZFIF rules do apply

Where the NZFIF rules apply, there are six possible methods of calculating income from FIFs with different qualifications for each method.

One of the methods available is the Fair Dividend Rate ("FDR") method, where taxpayers pay tax on notional income equal to 5% of the opening market value of all their interests in FIFs. In the case of listed shares the opening market value will generally be the price quoted on the relevant exchange. This method cannot produce a loss. Sales of shares are not directly taken into account under this method unless shares of the same type are bought and sold within 12 months.

Under the FDR method, natural persons and family trusts with total capital gains and dividends on their FIF interests in the year of less than 5% of the opening market value have the option of using that lower actual return as their income from their FIF interests.

Prospective holders of New CopperCo Shares who are resident in New Zealand and who think the NZFIF rules may apply to their holding of New CopperCo Shares should take professional advice on the methods of calculating income under the rules which are permitted to the shareholder and which best suit their circumstances.

Dividends received by shareholders that are taxed as companies are exempt from New Zealand income tax. However, the shareholder company is required to deduct a foreign dividend withholding payment ("FDWP") from the dividend unless the shareholder company calculates income under the NZFIF rules using the FDR method, the comparative value method, the deemed rate of return method or the cost method.

The FDWP is equal to the gross amount of the dividend (i.e. the amount received plus any withholding tax deducted) times the New Zealand company tax rate less any withholding tax deducted. From 1 April 2008 the company tax rate is 30% For example, if a gross dividend of NZ$100 with NZ$15 withholding tax deducted is received by a company on or after 1 April 2008, the FDWP will be NZ$15 (i.e. (NZ$100 x 30%) - NZ$15). FDWP is to paid to the New Zealand Inland Revenue by the 20th of the month following the end of the calendar quarter in which the dividend is received.

17.7 ***United States tax consequences***

The following is a summary of the material US federal income tax consequences relevant to the exchange of Minsec Shares for New CopperCo Shares and the ownership and disposition of New CopperCo Shares. The following summary is not binding on the US Internal Revenue Service (the "IRS"), and the IRS could take an opposing view with respect to the tax consequences described below. The discussion is a general summary. It does not cover all tax matters that may be important to a US Holder. Each US Holder should consult his or her own tax advisor about the tax consequences of an exchange of Minsec Shares and ownership and disposition of New CopperCo Shares under the US Holder's own circumstances.

This summary is based on the current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Department regulations promulgated or proposed thereunder and judicial and administrative interpretations thereof, all of which are subject to change, possibly on a retroactive basis. This summary applies only to persons who hold Minsec Shares and New CopperCo Shares as capital assets, within the meaning of section 1221 of the Code. This summary does not purport to deal with all aspects of United States, federal income taxation that might be relevant to particular shareholders in light of their particular investment circumstances or status nor does it address specific tax consequences that may be relevant to particular investors, including brokers or dealers in securities or currencies, financial institutions, tax exempt entities, life insurance companies, persons holding Minsec or New CopperCo Shares as a part of a hedging, short sale or conversion transaction or a straddle, persons who are US Holders whose functional currency is not the US dollar, persons who hold Minsec or New CopperCo Shares through partnerships or other pass through entities, or except as specifically noted, foreign holders and certain US expatriates.

This summary does not address US federal alternative minimum tax consequences or consequences under the tax laws of any state, local or foreign jurisdiction, other than UK tax consequences, which are discussed above.

Minsec and CopperCo have not requested, and do not intend to request, any rulings from the IRS concerning the federal income tax consequences of exchange of Minsec Shares or the ownership of New CopperCo Shares. US Holders are advised to consult with their tax advisers regarding the consequences of exchanging Minsec Shares and acquiring, holding or disposing of New CopperCo Shares in light of current tax laws, their particular investment circumstances, and the application of state, local and foreign tax laws.

Taxation of the Exchange of Minsec Shares

The exchange by CopperCo of its Shares solely for the Shares of Minsec may qualify under US tax law as a non-taxable exchange. However, even if the exchange does qualify as a non-taxable exchange, a US Holder who owns 5% or more of the shares of CopperCo immediately after the exchange (a "5% Shareholder") will be required to recognise gain or loss equal to the difference between the fair market value of the New CopperCo Shares and his or her tax basis in the Minsec Shares. A 5% Shareholder, however, can avoid such gain recognition if he or she enters into a five year gain recognition agreement with respect to the transfer. A 5% Shareholder may also be required to file a disclosure form with his or her US tax return. A US Holder who is a 5% Shareholder should consult his or her tax advisers with regard to the tax consequences of the exchange.

The cashout of certain unmarketable securities pursuant to the Cash Election may possibly cause the exchange to not meet the requirements for a non-taxable exchange and thereby cause the exchange of Minsec Shares for New CopperCo Shares by US Holders to be taxable. If the exchange is taxable, US Holders will recognise capital gain or loss equal to the difference between the fair market value of New CopperCo Shares received and the US Holder's adjusted tax basis in the Minsec Shares. The gain or loss will be long term capital gain or loss if the US Holder's holding period for his or her Minsec Shares exceeds one year. The maximum federal long-term capital gain rate is 15% for non-corporate US Holders (through 2010)

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and 20% thereafter and 35% for corporate US Holders. A US Holder's ability to deduct any capital losses will be subject to certain limitations.

US Holders who receive cash as a consequence of the cashout of unmarketable securities will recognise a capital gain or loss equal to the difference between the cash received and the US Holder's adjusted tax basis in the Minsec Shares.

Taxation of dividends on New CopperCo Shares

Subject to the passive foreign investment company ("PFIC") rules discussed below, dividends on New CopperCo Shares generally will be includable in a US Holder's gross income as ordinary income from foreign sources when they are actually or constructively received. A cash distribution on New CopperCo Shares will be treated as a dividend to the extent of current or accumulated earnings and profits allocable to the distribution as determined under US federal income tax principles. The amount of CopperCo's earnings and profits at any time will depend upon its future actions and financial performance. If the amount of the distribution exceeds current and accumulated earnings and profits allocable to the distribution, the distribution will be treated as a non taxable return of capital and will be applied against and reduce the US Holder's adjusted tax basis in his or her New CopperCo Shares, but not below zero. The reduction in tax basis will increase the amount of any gain, or reduce the amount of any loss, that the US Holder would otherwise realise on the sale or other taxable disposition of his or her New CopperCo Shares. If the distribution exceeds both CopperCo's current and accumulated earnings and profits allocable to the distribution and the US Holder's adjusted tax basis in his or her New CopperCo Shares, the excess will be treated as capital gain and will be either long term or short term capital gain, depending on the US Holder's holding period for his or her New CopperCo Shares.

Dividends paid in currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the payment is converted into US dollars at that time. A US Holder will have a basis in the currency received equal to its US dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange rate fluctuations during the period from the date the dividend payment is included in income to the date the payment is converted into US dollars will be treated as ordinary income or loss from sources within the United States for foreign tax credit limitation purposes.

Sale or other Disposition of New CopperCo Shares

Subject to the PFIC rules discussed below, a US Holder will recognise gain or loss when he or she disposes of New CopperCo Shares in an amount equal to the difference, if any, between the US dollar value of the amount realised and the US Holder's adjusted tax basis, determined in US dollars, in his or her New CopperCo Shares. A US Holder's adjusted tax basis in his or her New CopperCo Share will generally be his or her US dollar cost. If the exchange of Minsec Shares for New CopperCo Shares qualifies as a non-taxable exchange, the US dollar cost of the New CopperCo Shares received in the exchange pursuant to the Offer will generally be the same as the US Holder's basis in his or her Minsec shares immediately before the exchange. If the exchange is taxable, a US Holder's tax basis in his or her New CopperCo Shares will be equal to the fair market value of the Minsec Shares exchanged for such New CopperCo Shares. The capital gain or loss will generally be treated as arising from sources within the United States for foreign tax credit limitation purposes. The capital gain or loss will be long-term capital gain or loss if the US Holder has held his or her New CopperCo Shares for more than one year. If the exchange is non-taxable, a US Holder can include his or her Minsec holding period in determining his holding period for his or her New CopperCo Shares. Deductions for capital losses are subject to limitations.

If a US Holder receives a currency other than US dollars on the disposition of New CopperCo Shares, he or she will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of disposition or, if the New CopperCo Shares are traded on an established securities market and the US Holder is a cash-basis or electing accrual basis taxpayer, at the spot rate on the settlement date. If the US Holder is an accrual basis taxpayer that does not elect to determine the amount realised using the spot rate on the settlement date, he or she will recognise gain or loss (generally treated as US source ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the spot exchange rates in effect on the date of sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the currency received for a different US dollar amount generally will be US source ordinary income or loss.

Passive Foreign Investment Company

CopperCo believes that it is not, and will not likely become, a PFIC for US federal income tax purposes. A non- US corporation is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income in a taxable year is passive income (such as dividends, interest, rents, royalties and the excess of gains over losses from the disposition of assets which produce passive income) or (ii) at least 50% of the average quarterly value of its assets in a taxable year consists of assets that produce, or are held to produce, passive income (including cash). The determination whether CopperCo is or has become a PFIC must be made on an annual basis, and could change depending upon, among other things, CopperCo's income and assets, the quarterly market value of its Shares and changes in its activities and assets and in the assets and gross receipts of its subsidiaries in which it own at least a 25% interest. Accordingly, no assurance can be given that CopperCo will not become a PFIC in the current or any future taxable years.

Backup Withholding and Information Reporting

Dividends on and proceeds from the sale or other disposition of New CopperCo Shares that are made within the United States or through certain US-related financial intermediaries may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the

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holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption or fails to report all interest and dividends required to be shown on his or her US federal income tax returns. A US Holder can claim a credit against his or her US federal income tax liability, for amounts withheld under the backup withholding rules, and can claim a refund for amounts in excess of his or her tax liability if the required information is provided to the IRS. US Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

18. Research and development

CopperCo commits research and development monies in the context of its operations. In particular the development of an improved method of heap leaching of the oxide ore followed by solvent extraction and electrowinning to produce LME grade A copper cathode. The project commenced in October 2004 and concluded in June 2007. During the financial year ended 30 June 2007 the Company spent A$840,831 on research and development; 2006: A$923,092; 2005: A$920,554. The Company expects an increased expenditure on research and development during the current financial year.

19. Intellectual property

Subject to the disclosures at paragraph 15 of this Part V, the business of CopperCo is not dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.

20. Working capital

The CopperCo Directors are of the opinion that CopperCo does not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

The CopperCo Directors believe that, without management taking any of the mitigating actions listed below, the Enlarged CopperCo Group will run out of funds in December 2008, that is when Minsec's A$45 million debt facility with Macquarie Bank is due for repayment.

As a mining investment company, Minsec currently sources its working capital from a mix of asset sales, equity raisings and bank debt. Minsec's projected cash flows to 30 June 2009 show the need for additional funding to meet the repayment of the Macquarie Bank facility on 31 December 2008. In the absence of additional funding, CopperCo anticipates a maximum shortfall of US$31.3 million immediately after the Macquarie Bank facility is repaid.

The CopperCo Directors believe that the existing business of CopperCo (i.e. excluding Minsec) would not experience a working capital shortfall during the next 12 months.

Preferred strategy

As at the date of this document, the CopperCo Directors have not determined the Company's preferred strategy to resolve the working capital shortfall, but have a number of funding strategy options available to them including, *inter alia*, sales of non-core assets, debt repayment deferral, debt refinancing, further equity issuances and business development. The CopperCo Directors consider that it is likely that a combination of these options will be pursued.

Current commitments

Details of CopperCo's commitments following the Acquisition are set out in Note 28 to the CopperCo financial information in Section B of Part II and Note 49 to the Consolidated Minsec Group financial information in Section D of Part II all of which CopperCo intends to fund from its current resources. The major additional cash outflow to which CopperCo is committed is the expansion of the Lady Annie facility to 30,000 tpa described in paragraph 2.1 of Part I, for which CopperCo has already secured debt and equity funding.

At present ongoing expenditure in respect of Lady Loretta is funded from Minsec's working capital. Any decision to develop the project would involve substantial capital investment by CopperCo to meet Minsec's 25% share of the cost. Should a development decision be made, CopperCo expects to fund Minsec's share through a mixture of project debt finance and new equity. However, if such funding is unavailable then the joint venture agreement provides for the dilution of Minsec's interest in direct proportion to the investment shortfall.

Should development decisions be made at other projects such as Sappes, CopperCo would expect to raise any such funding from a combination of project debt finance and new equity at either group or project level.

Risks associated with the working capital position

The CopperCo Directors consider that the principal risks associated with this working capital position are:

(a) divestment of non-core assets may not be consummated, or may not be consummated within the time periods anticipated, due to market conditions or the absence of interested purchasers. In addition, the proceeds received in connection with any such divestments which are consummated may be less than anticipated;

(b) there can be no assurances that CopperCo will be able to obtain additional funding through any of the above proposed strategies on a timely basis, on reasonable terms, or at all, or that such additional funding would be sufficient to enable CopperCo to continue to implement its long term business strategy;

(c) if CopperCo is unable to obtain sufficient additional funding, its bankers would be able to exercise their security over the CopperCo Group's assets which could have a material adverse effect on CopperCo's prospects and could materially and adversely affect the market price of CopperCo Shares and all or part of an investment in CopperCo Shares could be lost;

(d) any delay in reducing indebtedness may also adversely affect CopperCo's credit rating and may result in its borrowing costs being higher than expected;

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(e) a failure to secure funding could result in the going concern basis used for the preparation of the financial information in this document becoming inappropriate resulting in adjustments to the carrying values, recoverability and balance sheet classification of assets and liabilities; and

(f) whilst the gearing ratio of CopperCo following the Acquisition will be lower than that of pre-Acquisition CopperCo on a standalone basis, the increase in the absolute value of CopperCo and Minsec's combined debt may limit CopperCo's ability to raise additional debt or equity in the future and will increase the risk that CopperCo's trading income is insufficient to meet the payment obligations and therefore increase the risk of default.

Conclusion

The size (A$45 million) of the outstanding loan facility and Minsec's modest working capital requirements compared to Minsec's financial assets available-for-sale at 31 March 2008 of US$156.5 million, when taken together with the various fundraising opportunities outlined above, means that the CopperCo Directors are reasonably confident that Minsec and/or the Enlarged CopperCo Group will be able to further renegotiate the facility or that new flows of funds will be available to remedy the working capital shortfall.

21. Capitalisation and indebtedness

As at 20 June 2008 being the latest practicable date prior to the publication of this document, the capitalisation and indebtedness of the CopperCo Group was as set out below:

	A$000
Total current debt (falling due ≤ 12 months)	
Secured	33,634
Unguaranteed/unsecured	3,685
	37,319
Total non-current debt (excluding the current portion of long-term debt) (falling due >12 months)	
Secured	53,052
Total debt[1]	90,371
Shareholders' equity	
Share capital	194,437
Option/employee reserve	15,575
Derivative reserve	(30,751)
Other reserve	390
Total current and non-current debt and shareholders' equity	270,022

Note:

1 Debt is shown net of unamortised borrowing costs of A$3,314,000

Secured loans are secured by a fixed and floating charge over all assets and undertakings of the Company, an equitable mortgage over the shares the Company holds in certain of its subsidiaries, an equitable mortgage of contractual rights and a Mining Act mortgage over certain mining tenements held by the Company.

CopperCo has also provided the Queensland Department of Natural Resources and Mines with guarantees totalling approximately A$8.4 million of which A$0.7 million are backed by cash deposits and A$7.7 million are provided by Macquarie Bank Limited as part of the facility described in paragraph 15(j)(iii) of Part V of this document.

21.1 ***Significant changes since 31 December 2007***

Other than set out below there have been no significant changes in capitalisation since 31 December 2007:

(a) Approximately A$5.7 million of guarantees included in non-current liabilities at 31 December 2007 have since been de-recognised and will now be disclosed as contingent liabilities.

(b) The Directors of CopperCo and Minsec announced to ASX on 29 January 2008 an agreement to merge CopperCo and Minsec. On 16 May 2008, the CopperCo Shareholders approved the Acquisition at an extraordinary general meeting of the Company.

(c) CopperCo completed a A$30.4 million capital raising conducted in the following tranches:

(i) on 11 March 2008, 33,700,000 CopperCo Shares were issued to external investors at A$0.54 per share (raising A$16,996,723 after costs);

(ii) in two separate parts on 23 and 28 April 2008, 22,666,666 CopperCo Shares were issued to external investors at A$0.54 per share (raising A$11,622,368 after costs).

(d) On 11 March 2008, CopperCo repaid a A$2.5 million loan facility to Bell Co Pty Ltd.

(e) On 13 March 2008, CopperCo issued 4,222,222 shares to Minsec upon conversion of A$1.9 million of convertible notes.

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(f) Preliminary construction activities for the Lady Annie expansion commenced in January 2008. On 11 March 2008 CopperCo announced plans to accelerate the expansion from 19,000 tpa to 30,000 tpa of copper cathode and that CopperCo had completed a A$30.4 million private placement to fund the Lady Annie expansion.

(g) On 28 March 2008, CopperCo repaid a A$2.5 million loan facility to Simon Moore.

(h) On 11 April 2008, CopperCo repaid a A$5 million loan facility to LinQ.

(i) On 28 April 2008, CopperCo issued 500,000 CopperCo Shares, credited as fully paid to Stephen Blackman, pursuant to the exercise of 500,000 unlisted options at A$0.20 each.

(j) On 20 June 2008, CopperCo issued 4,000,000 CopperCo Shares, credited as fully paid to Brian Rear, pursuant to the exercise of 4,000,000 unlisted options at A$0.20 each.

(k) The net unrealised gains reserve at 31 December 2007 has been transferred to the income statement in recognition of the reversal of the unrealised gains that created it.

(l) The derivative reserve debit balance has increased from A$12,751,000 at 31 December 2007 as a consequence of changes in CopperCo's hedge position, the price of copper and the A$:US$ exchange rate.

21.2 ***Net Indebtedness***

	As at 20 June 2008 A$000
Cash	12,688
Liquidity	12,688
Current portion of non-current debt	(33,634)
Other current financial debt	(3,685)
Current financial debt	(37,319)
Net current financial indebtedness	(24,631)
Non-current bank loans	(53,052)
Non-current financial indebtedness	(53,052)
Net financial indebtedness	(77,683)

22. Property, plant and equipment

CopperCo does not own any freehold properties or hold any material property leases other than as set out below.

Tenant	*Address*	*Term*	*Current rent*
CopperCo	Part Level 22, Allendale Square, Perth, WA 6000	18.12.06 – 31.12.07	A$115.85 per square metre per month

CopperCo is not aware of any environmental factors that affect the utilisation of the above property.

23. Related party transactions

CopperCo has entered into the following related party transactions during the period 1 July 2004 to the date of this document all of which have been concluded on arms length terms:

(a) On 3 December 2007 CopperCo entered into the Moore Facility Agreement in connection with the Lady Annie Project with Simon Moore (as lender). Following shareholder approval, CopperCo issued 2.5 million options (exercisable on or before 30 June 2010 at A$1.06) to Simon Moore in connection with the financing provided under the Moore Facility Agreement. Simon Moore is a related party of CopperCo by virtue of him being the son of the Hon. John Moore AO. Further details of the Moore Facility Agreement and the 2.5 million options are summarised in paragraph 15(h) and paragraph 3(j) of this Part V respectively. This facility has now been repaid.

As at the date of this document none of the options had been exercised.

(b) On 30 November 2007, CopperCo entered into a loan agreement with Brian Rear, whereby it loaned Mr Rear A$200,000. The loan is repayable by Mr Rear no later than 31 December 2008. Interest compounds monthly and is payable based on the three month bank bill rate plus 2.5%.

(c) On 5 June 2007, CopperCo and Minsec Australia entered into a heads of agreement under which CopperCo has agreed to purchase 8 million fully paid ordinary shares in Zambezi Resources Limited from Minsec Australia. Further details of this transaction are set out in paragraph 15(i) of this Part V.

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(d) On 20 April 2007, CopperCo Shareholders ratified the issue of A$5.5 million of convertible notes convertible into 12,222,222 shares, to Minsec Australia, as part of an A$30 million capital-raising. Minsec issued a call notice on 20 September 2007 for A$3.6 million of the convertible notes which was converted to 8,000,000 CopperCo Shares in accordance with the terms of the convertible note. A further call was issued on 13 March 2008 for the balance A$1.9 million of the convertible notes which were converted to 4,222,222 CopperCo Shares.

(e) Minsec and Minsec Australia were paid the following fees for services to CopperCo:

(i) In the year ended 30 June 2007 A$334,478 (2006: A$110,000, 2005: A$105,000) to Minsec Australia for administrative and company secretarial services.

(ii) In the period commencing 1 July 2007 A$62,500 to Minsec (in the year ended 30 June 2007: A$80,250, 2006: A$50,000, 2005: A$36,000 to Minsec Australia) for Director services provided by Keith Liddell.

(iii) During 2005 Minsec Australia provided geological consulting fees to the value of A$4,670.

(f) Certain related parties hold outstanding options over CopperCo Shares issued in this period as set out in paragraph 3(j) of this Part V;

(g) Certain related parties have been issued CopperCo Shares in this period as set out in the paragraphs 3(c) and 3(d) of this Part V;

None of the related party transaction referred to above form part of the turnover of the Company.

24. General

24.1 ***No significant change***

(a) There have been no significant changes in the financial or trading position of the CopperCo Group since 31 December 2007, being the date to which the Company's unaudited interim financial information set out in Section E of Part II of this document was prepared, other than as set out in paragraph 21.1 above.

(b) There has been no significant change in the financial or trading position of the Minsec Group since 31 March 2008, being the date to which Minsec's unaudited interim financial information which is set out in Section F of Part II of this document was prepared.

24.2 ***Expenses of the Offer***

The expenses relating to the Offer which, assuming the Offer becomes wholly unconditional, will be payable by the Enlarged CopperCo Group, are estimated to amount to approximately US$6.4 million (excluding GST and VAT, if any), of which US$0.5 million had been accounted for by Minsec prior to 31 March 2008.

24.3 ***Consents***

(a) *Ernst & Young*

Ernst & Young (Perth) has given and not withdrawn its written consent to the inclusion of its reports set out in Sections A, C and G of Part II of this document and to the references to its name in the form and context in which they appear and has authorised its reports for the purposes of paragraph 5.5.3 R(2)(f) of the Prospectus Rules. Save for the remuneration payable in respect of its role as auditor and reporting accountant for the purposes of the Offer and the fees payable for such roles, Ernst & Young (Perth) does not have a material interest in the Company.

(b) *Snowden*

Snowden Mining Industry Consultants Pty Ltd ("Snowden") has given and has not withdrawn its written consent to the inclusion in this document of its report and references to it in the form and context in which they appear and has authorised the contents of its report for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information contained in its report is, to the best of Snowden's knowledge, in accordance with the facts and contains no omission likely to affect its import. Snowden is not responsible for any other part of this document. Snowden does not have a material interest in the Company.

(c) *KPMG*

KPMG has given and has not withdrawn its written consent to the inclusion in this document of the KPMG Valuations set out in paragraph 2.3 of Part I and references to them in the form and context in which they appear and takes responsibility for the KPMG Valuations for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information contained in the KPMG Valuations is, to the best of KPMG's knowledge, in accordance with the facts and contains no omission likely to affect its import. KPMG is not responsible for any other part of this document. KPMG does not have a material interest in the Company.

(d) *Lady Annie*

The information in paragraph 5.1 of Part I of this document that relates to the Mineral Resource estimate in respect of the Lady Annie Project is based on information compiled by Malcolm Titley BSc (Geology/Chemistry), MAusIMM, MAIG, of CSA Australia Pty Ltd of Level 1, 47 Burswood Road, Burswood , Western Australia, 6100. Malcolm Titley is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person. Mr Titley has given and has not withdrawn his written consent to the inclusion in this document of the information in paragraph 5.1 of Part I relating to the Mineral

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Resource estimate in the form and context in which it appears and has authorised this information for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information in paragraph 5.1 of Part I relating to the Mineral Resource estimate is, to the best of Mr Titley's knowledge, in accordance with the facts and contains no omission likely to affect its import. Mr Titley is not responsible for any other part of this document. Mr Titley does not have a material interest in the Company.

The information in paragraph 5.1 of Part I of this document that relates to the Ore Reserves estimate in respect of the Lady Annie Project is based on information compiled by Dr Omer Mol BSc (Hons- Mining), MSc (Distinction) and PhD, MAusIMM, of Mol Mine Planning Services, PO Box 344, Forrestfield, Western Australia, 6058. Dr Mol is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person. Dr Mol has given and has not withdrawn his written consent to the inclusion in this document of the information in paragraph 5.1 of Part I relating to the Ore Reserves estimate in the form and context in which it appears and has authorised this information for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information in paragraph 5.1 of Part I relating to the Ore Reserves estimate is, to the best of Dr Mol's knowledge, in accordance with the facts and contains no omission likely to affect its import. Dr Mol is not responsible for any other part of this document. Dr Mol does not have a material interest in the Company.

(e) *Lady Loretta*

The information in paragraph 5.2 of Part I of this document that relates to the Lady Loretta mineral resources is based on information compiled by Pierre Bernard, P.Geo., who is a registered Member of the Association of Professional Engineers and Geoscientists of New Brunswick, Canada, a 'Recognised Overseas Professional Association'. Pierre Bernard is a full-time employee of Xstrata Canada Corporation, Xstrata Zinc Canada Division, Brunswick Mine, PO Box 3000, Bathurst, New Brunswick, Canada, E2A 3Z8, and has sufficient experience in mineral resource estimation and adequate geological knowledge relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person. Mr Bernard has given and has not withdrawn his written consent to the inclusion in this document of the information in paragraph 5.2 of Part I in the form and context in which it appears and has authorised this information for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information in paragraph 5.2 of Part I is, to the best of Mr Bernard's knowledge, in accordance with the facts and contains no omission likely to affect its import. Mr Bernard is not responsible for any other part of this document. Whilst neither Xstrata Canada Corporation nor Mr Bernard has a material interest in the Company, Xstrata, the parent company of Xstrata Canada Corporation, is Minsec's 75% joint venture partner in the Lady Loretta Project.

(f) *Sappes*

SRK Consulting (UK) Limited of Churchill House, Churchill Way, Cardiff CF10 2HH, has verified that the Ore Reserves in paragraph 5.3 of Part I of this document have been determined from work of at least a pre-feasibility study level and that all technical disciplines are materially compliant with this level of study. The work was however undertaken during and prior to 2003 and therefore while SRK Consulting (UK) Limited confirmed that the reported Ore Reserve remained valid and economic in its report dated July 2007, further work is now required to be undertaken to optimise the existing mining plan to reflect current costs and metal prices. In accordance with the JORC Code, the Compliance Opinion expressed herein has been prepared under the direction of Dr. Michael Armitage who is the Competent Person who assumes overall professional responsibility for the Compliance Opinion. Dr. Michael Armitage is a Member of the Institute of Materials, Metals and Mining which is a 'Recognised Overseas Professional Organisation' included in a list promulgated by the ASX from time to time. Dr. Michael Armitage is a full time employee of SRK Consulting (UK) Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person. Both SRK Consulting (UK) Limited and Dr Armitage have given and not withdrawn their written consent to the inclusion in this document of the information in paragraph 5.3 of Part I in the form and context in which it appears and has authorised this information for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that such is the case, the information in paragraph 5.3 of Part I is, to the best of both SRK Consulting (UK) Limited and Dr Armitage's knowledge, in accordance with the facts and contains no omission likely to affect its import. Both SRK Consulting (UK) Limited and Dr Armitage are not responsible for any other part of this document. Neither Dr Armitage nor SRK Consulting (UK) Limited has a material interest in the Company.

(g) *Gympie, Mt Scotchy*

The information contained in paragraph 5.4 of Part I of this document that relates to exploration results for Buka Gold is based on information reviewed and verified by Dr. R J Gunthorpe of 16 Dumphries St, Flagstaff Hill, SA 5159, Australia, a geological consultant to Buka Gold. Dr. R J Gunthorpe is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person. Dr Gunthorpe has given and has not withdrawn his written consent to the inclusion in this document of the information in paragraph 5.4 of Part I in the form and context in which it appears and has authorised this information for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. Having taken all reasonable care to ensure that

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such is the case, the information in paragraph 5.4 of Part I is, to the best of Dr Gunthorpe's knowledge, in accordance with the facts and contains no omission likely to affect its import. Dr Gunthorpe is not responsible for any other part of this document. Dr Gunthorpe does not have a material interest in the Company.

24.4 ***Information accurately produced***

Where information contained in this document has been sourced from a third party, CopperCo confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24.5 ***ASX information***

The various closing prices of CopperCo Shares on ASX, as referred to in this document, have been retreived using IRESS Market Technology Limited applications (who has not consented to the use of such data in this document).

25. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (except Saturdays and Sundays and public holidays in the United Kingdom) while the Offer remains open for acceptance at the offices of Reed Smith, Minerva House, 5 Montague Close, London SEI 9BB and at CopperCo's registered office, Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia 6000:

(a) the Constitution;

(b) the audited consolidated accounts of CopperCo for the years ended 30 June 2005, 30 June 2006 and 30 June 2007 and the interim financial statements of CopperCo for the six months ended 31 December 2007;

(c) the audited consolidated financial statements of Minsec for the financial period ended 30 September 2007 and Scarborough for the financial period ended 30 September 2006;

(d) the Three-way Merger Prospectus incorporated by reference into the Minsec financial information;

(e) the reports prepared by Ernst & Young (Perth) which are included at Part II of this document;

(f) the written consents referred to in paragraph 24.3 of this Part V;

(g) this document, the Offer Document, the Form of Acceptance, the CDI Acceptance Form and the irrevocable undertakings referred to in paragraph 7.3 of Part I of this document; and

(h) the service agreements referred to in paragraph 10 of this Part V.

26. Help line for further information

Minsec Shareholders who have any questions in relation to the Offer are requested to contact Minsec's helpline on the following numbers between 9.00 a.m. and 3.00 a.m. (Australian EST) and midnight and 6.00 p.m. (London time) on any Business Day:

(a)	Australia-wide toll free number	1800 65 65 06
(b)	UK toll free number	0808 234 2505
(c)	Overseas (non-UK)	+61 2 9207 3783

27. Documentation incorporated by reference

The Three-Way Merger Prospectus, which is available for inspection in accordance with paragraph 25 of Part V of this document or at the offices of CopperCo, at the address set out on the front page of this document, contains information that is relevant to the financial information on the Consolidated Minsec Group contained in Section D of Part II of this document and the Offer.

The table below sets out the various sections of the Three-Way Merger Prospectus which are incorporated by reference into the Consolidated Minsec Group financial information, so as to provide the information required pursuant to the Prospectus Rules and to ensure that Minsec Shareholders and others are aware of all information which is necessary to enable Minsec Shareholders and others to make an informed assessment of the assets and liabilities, profit and loss, and prospects of Minsec:

Information incorporated by reference into the Minsec financial information	*Destination of incorporation*	*Page number in this document*
Part V financial information on Greenwich pg 101-139	Section D of Part II Financial information on the Consolidated Minsec Group	84
Part VII financial information on Danae pg 202-253	Section D of Part II Financial information on the Consolidated Minsec Group	84

The Three-Way Merger Prospectus incorporated by reference has been incorporated in compliance with Prospectus Rule 2.4.1. Non-incorporated parts of the Three-Way Merger Prospectus are not relevant to the investor when considering the Offer.

Dated 30 June 2008

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Perth, Brisbane, Vancouver, Johannesburg, Cape Town, London, Belo Horizonte

21 April 2008

The Directors
CopperCo Limited
Level 22 Allendale Square
77 St Georges Terrace
PERTH WA 6000

Dear Sirs

COMPETENT PERSONS' REPORT ON THE MINERAL ASSETS OF COPPERCO LIMITED

At your request (agreement dated 1 April 2008) Snowden Mining Industry Consultants Pty Ltd ("Snowden") has prepared a Competent Persons' Report on the mineral assets of CopperCo Limited ("CopperCo") located in the Mount Isa region of northwestern Queensland. Snowden understands that this CPR is to be prepared in accordance with:

- The requirements set out in paragraphs 131-133 of the recommendations of the Committee of European Securities Regulators ("CESR") for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004
- The Prospectus Rules published by the Financial Services Authority ("FSA") from time to time and governed by the United Kingdom Listing Authority ("UKLA").

Furthermore, it is our understanding that this CPR will be used by CopperCo as part of a submission document to the UKLA relating to its proposed merger with Mineral Securities Limited ("MinSec").

CopperCo's key mineral asset in northwest Queensland is a 100 per cent. interest in the Lady Annie copper oxide mining project and associated exploration tenements (collectively known as the "Lady Annie Project").

The objective of this report is to present for each project area a geological description, an outline of previous mining and processing activities, an overview of the currently defined Mineral Resources and Ore Reserves, consider technical-economic parameters and to provide an opinion on the development potential of the project.

The findings and opinions presented in this report are based on carefully scrutinised information provided by CopperCo, known to us as at 17 April 2008. Furthermore, Snowden carried out a site visit to CopperCo's Lady Annie project during April 2008. Snowden has held detailed discussions with CopperCo's management and senior mine personnel and specifically reviewed data from previous exploration activities, the relevant life-of-mine production plans, Mineral Resources and Ore Reserves. A listing of the documents referenced is provided at the end of this report.

This report is based on personal communication and unpublished reports provided by various parties, including government authorities, published technical and various other reports. Whilst the authors have made every attempt to accurately convey this information, they cannot guarantee either the accuracy or the validity of the information.

Consent has been sought from CopperCo's representatives to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting, as a matter of fact, any relevant activities.

Snowden has based its findings upon information made known to it as at 15 April 2008. Snowden has endeavoured, by making reasonable enquiry of CopperCo, to ensure that all material information in the possession of CopperCo has been fully disclosed to Snowden. However, Snowden has not carried out any type of audit of the records of CopperCo to verify that all material documentation has been provided. CopperCo has agreed to indemnify Snowden from any liability arising from Snowden's reliance upon information provided or not provided to it by CopperCo. A draft version of this report was provided to the directors of CopperCo along with a request to confirm that there are no material errors or omissions in the report and that the information in the report is factually accurate. Confirmation in those terms has been provided in writing to Snowden and has been relied upon by Snowden.

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This report is provided subject to the following qualifications:

(a) it is assumed that CopperCo has made available to Snowden all material information in CopperCo's possession or known to CopperCo in relation to the technical, development, mining and financial aspects of the various projects and that CopperCo has not withheld any material information and that information is accurate and up to date in all material respects

(b) it is assumed that all geological reports and other technical documents provided by CopperCo correctly and accurately record the result of all geological and other technical activities and testwork conducted to date in relation to the relevant tenements and accurately record any advice from relevant technical experts

(c) it is assumed that CopperCo has good and valid title to all tenements or other land tenure required by CopperCo to explore, develop, mine and operate the projects in the manner proposed

(d) it is assumed that all necessary governmental consents and approvals (including regarding environmental issues) required to implement the various phases of the projects have been obtained or will be forthcoming without any material delay and on terms which will not cause any material change to any mining, exploration or other activities proposed and which will not cause any material change to the costs of such activities

(e) it is assumed that CopperCo will have access to sufficient working capital or other sources of finance to conduct the activities proposed by it

(f) it is assumed that macro or other economic conditions will not cause any material change to the prices expected to be obtained for the mineral products expected to be produced and marketed from the projects

(g) it is assumed that all factual information provided by CopperCo as to the projects or their history or CopperCo's future intentions, financial forecasting or the effect of relevant agreements is correct and accurate in all material respects.

In relation to the above qualifications, Snowden has not undertaken any independent enquiries or audits to verify that the assumptions are correct and gives no representation that the assumptions are correct.

From Snowden's assessment of CopperCo's Lady Annie project, it is our opinion that the project is of considerable value; the definition of the Mineral Resources and Ore Reserves is reasonable; the life of mine plan has a reasonable expectation of being achieved; and that it is metallurgically sound in its approach. As this is a heap leaching operation, there can be a large degree of risk as it depends on the percolation of fluid through a mass of rock. If the mass of rock (stacked heap) is unsuitable for whatever reason, productivity, copper recovery and cash flow can be severely impeded. To mitigate this risk, CopperCo embarked on a thorough and comprehensive testwork programme to understand the behaviour of their ores under heap leaching conditions. Part of this programme entailed gaining an understanding of the behaviour of the ores when stacked, their porosity, percolation characteristics and potential effective heap height. As a consequence of this, Snowden is of the opinion that CopperCo has the knowledge and capacity to mitigate the risks associated with the current and future heap leaching operations. Moreover, it is our opinion that current operations indicate CopperCo has the competency to effectively operate a copper heap leach/ solvent extraction/ electrowinning operation. Regardless of this, CopperCo will, at some stage be challenged by issues beyond their control and current knowledge, as are all operations.

This report has been prepared by Mr Justin Watson (Senior Consultant), Mr Karl Van Olden (Principal Consultant), Mr Jeff West (Associate Metallurgist) and Mrs Christine Standing (Principal Consultant) and reviewed by Mr Jeames McKibben (Divisional Manager – Corporate Services) of Snowden's Perth and Brisbane offices in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, with its principal office at 87 Colin Street, West Perth, Western Australia also operates from offices in Brisbane, Johannesburg, Cape Town, Vancouver, London and Belo Horizonte, and has prepared independent technical reports and valuations on a variety of mineral commodities in many countries.

Neither Snowden nor those involved in the preparation of this report have any material interest in CopperCo or in the mineral properties considered in this report. Snowden is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

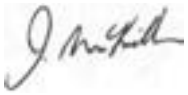
Snowden has given, and has not before lodgement of CopperCo's submission document, withdrawn its written consent to being named as author of this report and to the inclusion of this report in its submission document.

Yours faithfully

Snowden Mining Industry Consultants Pty Ltd



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1. EXECUTIVE SUMMARY

1.1 SCOPE

Snowden Mining Industry Consultants Pty Ltd ("Snowden") has prepared a Competent Persons' Report on CopperCo Limited's ("CopperCo") mineral assets in northwestern Queensland, Australia.

CopperCo is an Australian Securities Exchange ("ASX") listed, resource company registered in Perth, Western Australia under company number ACN 004 434 904.

The objective of this report is to present a geological description, an outline of previous mining and processing activities, an overview of the currently defined Mineral Resources and Ore Reserves and to provide an opinion on the development potential of the Lady Annie Project.

The report has been prepared in accordance with:

- The requirements set out in paragraphs 131-133 of the recommendations of the Committee of European Securities Regulators ("CESR") for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004
- The Prospectus Rules published by the Financial Services Authority ("FSA") from time to time and governed by the United Kingdom Listing Authority ("UKLA").

It is our understanding that this report will be included in a document by CopperCo relating to the company's proposed merger with Mineral Securities Limited ("MinSec") which is to be submitted to the UKLA for disclosure purposes.

1.2 THE ASSETS

CopperCo's key mineral asset is a 100 per cent. interest in the Lady Annie copper oxide mining and processing operation and the associated mineral tenements (collectively known as the "Lady Annie Project") located in the Mount Isa district of northwestern Queensland, Australia.

The Lady Annie Project tenements comprise 19 Exploration Permits for Minerals ("EPM") and 12 Mining Leases ("ML") that form a generally coherent package over a north-south distance of approximately 100 km. CopperCo has defined oxide copper Mineral Resources within the Mount Kelly, Lady Annie and Buckley River Areas and sulphide copper Mineral Resources within the Lady Annie and Mount Kelly Areas.

Snowden has been advised by CopperCo that in total the company currently holds an interest in 28 granted EPMs covering a total area of 1,901 km^2, 45 EPM applications (for 2,752 km^2), 12 granted MLs (for 24.47 km^2) and two ML applications (for 4.98 km^2). CopperCo has a number of EPM applications to the east of the Lady Annie Project tenements. These remain to be granted and are at an early stage of assessment. As such these applications are not discussed in this report. The current status of CopperCo's Lady Annie Project tenements that have been included in the report is presented in Table 1.1.

In September 2007, CopperCo commenced copper production from the first of five ore bodies at the Lady Annie Operations. The Lady Annie treatment plant is located centrally within the tenement package and adjacent to the Mount Kelly area, where the first ore sources, Mount Clarke and Flying Horse are located. The Lady Annie mine is located approximately 20 km to the northwest and is forecast to commence production during 2008.

Table 1.1 Status of CopperCo's project tenements

Asset	Holder	Interest (%)	Status	Expiry date	Area km^2	Comments
ML5426	Lady Annie Ops	100%	Granted	31-Jan-27	0.04	Exploration
ML5435	Lady Annie Ops	100%	Granted	31-Jan-09	0.04	Pre production
ML5446	Lady Annie Ops	100%	Granted	28-Feb-10	0.28	Production
ML5447	Lady Annie Ops	100%	Granted	31-Jan-10	0.28	Production
ML5448	Lady Annie Ops	100%	Granted	31-Jan-10	0.08	Production
ML5474	Lady Annie Ops	100%	Granted	31-Jan-11	1.30	Pre production
ML5476	Lady Annie Ops	100%	Granted	31-Jan-11	1.11	Production
ML5478	Lady Annie Ops	100%	Granted	31-Jan-11	0.13	Pre production
ML90168	Lady Annie Ops	100%	Granted	31-Dec-27	0.04	Production
ML90169	Savannah	100%	Granted	31-Dec-27	6.44	Associated with infrastructure
ML90170	Lady Annie Ops	100%	Granted	31-Dec-27	11.18	Production
ML90178	Lady Annie Ops	100%	Granted	31-Aug-28	3.54	Associated with infrastructure
MLA90179[1]	Lady Annie Ops	100%	Application to replace Sub Lease within ML5568		4.89	Pre-production
MLA90184	Lady Annie Ops	100%	Application		0.09	Associated with infrastructure

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Asset	Holder	Interest (%)	Status	Expiry date	Area km²	Comments
EPM7487	CopperCo Limited	100%	Granted	28-Aug-08	19.2	Exploration
EPM9916	Lady Annie Ops	100%	Granted	16-Feb-10	44.8	Exploration
EPM11185	CopperCo Ltd	100%	Granted	31-Dec-10	25.6	Exploration
EPM11586	CopperCo Ltd	100%	Granted	7-Oct-09	48.0	Exploration
EPM11637	Lady Annie Ops	100%	Granted	18-Aug-09	144.0	Exploration
EPM11649	CopperCo Ltd	100%	Granted	7-Oct-09	54.4	Exploration
EPM11660	CopperCo Ltd	100%	Granted	7-Oct-09	28.8	Exploration
EPM11661	CopperCo Ltd	100%	Granted	7-Oct-09	19.2	Exploration
EPM11669	Lady Annie Ops	100%	Application for extension	17-Aug-07	16.0	Exploration
EPM11670	Lady Annie Ops	100%	Application for extension	18-Aug-07	44.8	Exploration
EPM11672	Lady Annie Ops	100%	Application for extension	13-Sep-07	25.6	Exploration
EPM11692	Millenium	100%	Granted	4-Aug-09	9.6	Exploration
EPM11777	Lady Annie Ops	100%	Application for extension	17-Aug-07	44.8	Exploration
EPM11919	Millenium	100%	Granted	15-Jul-08	25.6	Exploration
EPM11920	Millenium	100%	Granted	15-Jul-08	9.6	Exploration
EPM12589	Lady Annie Ops	100%	Granted	23-Aug-09	73.6	Exploration
EPM13176	Savannah	100%	Application for extension	13-Aug-05	105.6	Exploration
EPM13177	Savannah	100%	Application for extension	8-Nov-07	144.0	Exploration
EPM13331	Lady Annie Ops	100%	Application for extension	30-Apr-06	105.6	Exploration
EPM13739	Lady Annie Ops	100%	Application for extension	22-Sep-07	176.0	Exploration
EPM14112	Lady Annie Ops	100%	Granted	13-Sep-09	147.2	Exploration
EPM14149	Lady Annie Ops	100%	Granted	19-Oct-08	38.4	Exploration
EPM14259	CopperCo Ltd	100%	Granted	18-Oct-09	3.2	Exploration
EPM14384	Savannah	100%	Granted	12-Sep-10	57.6	Exploration
EPM14424	Savannah	100%	Granted	26-Jun-10	144.0	Exploration
EPM14693	Savannah	100%	Granted	27-Sep-12	16.0	Exploration
EPM14697	Savannah	100%	Granted	20-Aug-11	156.8	Exploration
EPM15126[2]	Terrence Burt	51%	Granted	30-May-11	172.8	Exploration

Note: [1]ML90179 will replace Sub Lease within ML5568. ML5569 is currently owned by Noranda Pacific Pty Ltd (75 per cent.) and Buka Minerals Limited (25 per cent.)

[2]EPM15126 is currently owned by CopperCo (51 per cent.) and Terrence Burt (49 per cent.)

1.3 LOCATION AND DESCRIPTION OF THE ASSETS

CopperCo's tenement holdings are located approximately 120 km north-northwest of Mount Isa in Queensland, Australia and are within the Mount Isa Block which hosts several known copper oxide and sulphide resources and prospects.

CopperCo's Lady Annie copper oxide treatment plant is located centrally within the tenement package and adjacent to the Mount Kelly area, where copper oxide mineralisation is currently being mined at Mount Clarke and Flying Horse.

The Lady Annie Project comprises five deposits: Lady Annie, Mount Clarke, Flying Horse, Swagman and Mount Kelly Workings. The Lady Annie deposit is the largest in the project area, and represents approximately 63 per cent. of the total copper reserves in December 2008.

1.4 OWNERSHIP

CopperCo currently owns 100 per cent. of the Lady Annie Operations and associated project tenements with the exception of EMP13177 and EPM15126 which are the subject of Farm-in and Joint Venture agreements. The details of these are outlined below:

- In 2005, CopperCo entered into a Farm-in and Joint Venture agreement with Xstrata Copper over EPM13177 (Toby Creek). This agreement allows Xstrata to earn a 55 per cent. interest in the tenement after expending a minimum of $2.1 million over 4 years. Xstrata may earn a further 20 per cent. interest by sole funding $10 million in joint venture expenditure or by completing a Bankable Feasibility Study.
- In 2006, Reefway Pty Ltd ("Reefway") (a wholly owned subsidiary company of CopperCo) entered into a Farm-in and Joint Venture agreement with Terrence John Burt over EPM15126 (Battle Creek). This agreement allows Reefway to earn an initial 51 per cent. interest by sole funding exploration expenditure of $50,000 before 30 May 2007. A 51 per cent. interest was registered with the Department of Mines and Energy in June 2007. An additional 29 per cent. can be earned by expenditure of a further $100,000 over 24 months. In total, Lady Annie Operations Pty Ltd can earn up to 80 per cent. equity in EPM 15126 by expenditure of $150,000. Reefway may then earn an additional 12.5 per cent. interest in the tenement by undertaking a Feasibility Study.

1.5 GEOLOGY AND MINERALISATION

CopperCo's Lady Annie Project and regional tenements are located within the Mount Isa Inlier. The Mount Isa Inlier consists of a north-trending belt of Early Proterozoic basement rocks (the Kalkadoon-Leichhardt Belt) flanked by two belts of Middle Proterozoic rocks, known as the Eastern and Western Fold Belts. The Lady Annie Project tenements and the Regional Project tenements occur within the Western Fold belt. The Western Fold Belt is subdivided by the Mount Gordon Fault into the Lawn Hill Platform in the west and Leichardt River Trough in the east. Three of CopperCo's Regional Project tenement areas are located to the east of the Lady Annie Project, within the Mary Kathleen Zone of the Kalkadoon-Leichhardt Belt.

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Since the discovery of copper and gold near Cloncurry in the 1860s, the Mount Isa Block has been a major producer of copper, lead, zinc, silver and phosphate, along with substantial amounts of gold, uranium. Mount Isa has become Australia's foremost copper producer and during the 1980s, an increase in mineral exploration throughout the Mount Isa region resulted in several more significant mineral discoveries. The past 20 years has seen new mine developments in copper (e.g. Mount Isa and Mount Gordon Operations), copper-gold (e.g. Ernest Henry and Osborne) and zinc-lead-silver (e.g. George Fisher, Century and Cannington) deposits.

The geology of the area surrounding CopperCo's Lady Annie Project is dominated by marine carbonate and clastic sedimentary sequences of the Proterozoic Lower McNamara Group. The Lady Annie Project overlies the north-south trending Lady Loretta High Strain Zone which is characterised by tight, upright folding along major north-south trending faults. The project area is structurally complex, with multiple generations of folding and faulting. Major, deep-seated faults that cut or bound basement rift blocks of volcanics are considered by CopperCo to be important for targeting copper mineralisation. Extensive weathering has produced a base of complete oxidation at around 80 m, although there are exceptions down to 300 m associated with the Mount Lorrie Fault zone.

The known copper mineralisation within the majority of the project area is hosted in dolomitic, carbonaceous and argillaceous sandstones and siltstones. Oxidation of these units has removed the dolomitic material leaving behind ferruginous silty sandstones or kaolinitic sandy siltstones. Mineralisation in the oxide zone is comprised predominantly of malachite, cuprite, chrysocolla, chalcocite and tenorite with relatively rare native copper. The oxide zone mineralisation appears to be controlled by the in-situ oxidation of pre-existing primary copper sulphide species. The primary copper sulphide mineralisation at depth is dominated by chalcocite and chalcopyrite and appears to be structurally controlled.

CopperCo's exploration activities are currently focussed on expanding the defined oxide copper resource base and discovering additional oxide deposits capable of being exploited through the existing processing facility at Mount Kelly. Exploration is continuing on near mine oxide copper targets within the Lady Annie Project to achieve a 30,000 tpa copper cathode output for a mine life of 8 to 10 years. This will require the discovery of a further 80,000 t to 100,000 t of contained oxide copper over the next 18 months.

Copper sulphide resources have previously been defined below the Lady Annie copper oxide resource. The copper sulphide mineralisation is located at a depth of between 100 to 300 m below surface and as a result, sulphide resources are readily amenable to open cut extraction techniques once the oxide resources are mined out. Definition of copper sulphide targets has been an on going focus since 2007. The objective is to define sufficient sulphide resources in order to support a 20,000 tpa copper in concentrate operation. In addition to the Lady Annie sulphide resource, CopperCo considers there is good potential for additional sulphide resources to be defined at the Mount Clarke and Anthill prospects where previous deeper drilling has encountered sulphide mineralisation.

1.6 DEVELOPMENT STRATEGY

All mining in the current life of mine ("LOM") plan is carried out with open pit mining techniques using conventional drill and blast and truck and shovel operations. Mining commenced in April 2007 at Mount Clarke in the Mount Kelly project area and the pre-stripping of Lady Annie is scheduled to commence in August 2008. The first ore from the Lady Annie deposit is due for production in September 2008. Mining is currently at a rate of 2 million tonnes per annum ("Mtpa"), increasing to 3.5 Mtpa in 2008/09 to provide the ore feed for a proposed 30,000 tpa copper cathode production. As the grade drops off in the later years of the LOM plan, the mining rate will lift to 4 Mtpa to maintain cathode production.

The processing facility for the existing Lady Annie Copper Project has been designed to treat predominantly malachite ore to produce 19,000 tpa of London Metals Exchange ("LME") Grade A cathode copper. The proposed expansion to the plant and facilities has been designed to produce 30,000 tpa of LME Grade A copper. Construction for the plant expansion commenced early January 2008. The target completion dates are early August 2008 for the expanded processing plant and the end of September 2008 for the leach pad earthworks and the Lady Annie haul road. Procurement and construction planning for the capital works required to sustain the expanded 30,000 tpa operation (Stage 3) will commence in January 2009 and construction is scheduled to commence in early April 2009. Completion is scheduled for the end of September 2009.

1.7 MINERAL RESOURCES AND ORE RESERVES

CopperCo's currently defined Mineral Resources and Ore Reserves as reported in accordance with the 2004 JORC Code are summarised in Table 1.2 and Table 1.3. The Measured and Indicated Resources reported in Table 1.2 are inclusive of those Mineral Resources modified to produce the Ore Reserves reported in Table 1.3. Mineral Resource and Ore Reserve estimates for the Lady Annie, Mount Clarke, Flying Horse and Anthill deposits were developed throughout 2007.

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Table 1.2 Summary of CopperCo's Ore Mineral Resources at the Lady Annie Project inclusive of Ore Reserves

Category	Gross			Net attributable			Operator
	Tonnes (millions)	Grade (% Cu)	Contained metal (kt Cu)	Tonnes (millions)	Grade (% Cu)	Contained metal (kt Cu)	
Measured	16.0	1.0	159	16.0	1.0	159	
Indicated	13.6	0.8	109	13.6	0.8	109	
Inferred	10.4	0.9	94	10.4	0.9	94	CopperCo
Total	40.0	0.9	359	40.0	0.9	359	

Table 1.3 Summary of CopperCo's Ore Reserves at the Lady Annie Project

Category	Gross			Net attributable			Operator
	Tonnes (millions)	Grade (% Cu)	Contained metal (kt Cu)	Tonnes (millions)	Grade (% Cu)	Contained metal (kt Cu)	
Proved	10.6	1.0	110	10.6	1.0	110	
Probable	5.4	0.8	43	5.4	0.8	43	CopperCo
Total	16.0	1.0	153	16.0	1.0	153	

1.7.1 Mineral Resources

Snowden has reviewed the available data supporting the Lady Annie resource estimates. Whilst a number of minor inconsistencies and issues were evident (in particular, further refinement of variography, kriging parameters and resource classification methodology is recommended) in general Snowden considers that the Mineral Resource estimates reported by CopperCo have been prepared in accordance to standard industry practice and meet the minimum reporting requirements of the 2004 JORC code. The compositing, variography, geological interpretation, resource estimation and classification have all been completed to an adequate standard and no major issues were identified.

1.7.2 Ore Reserves

The methodology used to estimate an Ore Reserve from the reported Mineral Resource appears to be reasonable. At the completion of optimisation studies for each deposit, pit designs were developed based on the optimum pit shell generated and salient inputs to the Ore Reserve estimate are; 5 per cent. Mining dilution, 98 per cent. Mining recovery, 89 per cent. Metallurgical Recovery and a copper price of US$2.20/lb. Snowden considers the input factors and process used in the estimation of Ore Reserves to be reasonable.

The current LOM plan spans a period of six years and the schedule is balanced between five deposits; Lady Annie, Mount Clarke, Flying Horse, Mount Kelly Workings and Swagman. Based on the available information production appears to be scheduled at rates that are not unreasonable.

Snowden notes that the quantity scheduled from the operations exceeds the Ore Reserve dated 16 March 2008. The total scheduled ore quantity is 19.2 Mt at 0.9 per cent. Cu (180 kt Cu) compared to the Proved and Probable Ore Reserve of 16.0 Mt at 1.0 per cent. Cu (153 kt Cu). The LOM plan contains 17 per cent. of scheduled production sourced from Inferred Mineral Resources or unclassified resources. This "upside" schedule is not unrealistic, but the level of confidence in achieving scheduled production results for the material outside of the defined Ore Reserve will be reduced. An ongoing programme of resource definition drilling is being undertaken with the intention of improving confidence in the currently defined Inferred Mineral Resources.

1.8 MINING

Mining commenced in April 2007 at Mount Clarke in the Mount Kelly Area and pre-stripping of Lady Annie is scheduled to commence in August 2008. Two starter pits, Mount Clarke East and Mount Clarke West are currently being mined to the completion of two to three 10 m benches. These two starter pits are planned to eventually join to form the larger Mount Clarke pit. Pre-stripping is underway in the Flying Horse open pit. The first ore from the Lady Annie deposit is due for production in September 2008.

All mining in the current LOM plan is carried out with open pit mining techniques using conventional drill and blast and truck and shovel operations. Mining is carried out in three flitches for each 10 m bench and grade control for each bench is carried out by taking three samples from each blast hole.

1.9 MINERAL PROCESSING AND METALLURGICAL TESTING

The current operation appears to be performing well and the proposed increase in cathode production to 30,000 tpa appears fair, reasonable and achievable at a reasonable cost. These observations are based upon the operation to date, and the methodology proposed to increase it.

Presently, the available kinetic data from the plant is considered insufficient to formulate an exact opinion on the rate of leaching at the Lady Annie Project. However it is considered to be satisfactory and that final copper recovery should approach that obtained in laboratory testwork. Nevertheless, it is recognised that current operations are based upon the best physical ore available and which is considered by Snowden to be an appropriate strategy on which to commission a plant.

Snowden considers the reported costs for the Lady Annie processing operation to be low but reflect the much lower acid usage when benchmarked to similar operations in Australia. To reduce processing unit operating costs by about 18 per cent. when operating at the higher cathode production rate is a commendable target but may be difficult to achieve.

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Heap leaching is not an exact science and depends on much interpretation to finalise an operating and, hence, a financial strategy. CopperCo's strategy for the next five years produces approximately 125,000 t of cathode. This is an achievable objective.

CopperCo have selected a 180 day leach time for a 1.5 per cent. Cu head grade ore at an 89 per cent. ultimate recovery as their base model. This is a fair and reasonable assumption considering the testwork conducted and reported by two independent consultants, who are both renowned within the field of heap leaching.

Heap height has been initially selected as 8 m and tends to fit the hydraulic conductivity testwork conducted on Mount Clarke ore. For this height to be effective, good agglomeration techniques must be adhered to and ores containing excessive fines must be blended to prevent migration under irrigation. There are no reasons why these aspects cannot generally be resolved. However, the effectiveness of the height selected can only be quantitatively verified by sample drilling of barren (spent) heaps. The height may need to vary depending on the blend of ore being used.

2. INTRODUCTION AND TERMS OF REFERENCE

Snowden has prepared a Competent Persons' Report on the mineral assets of CopperCo Limited ("CopperCo") located in the Mount Isa region of northwestern Queensland. CopperCo's key mineral asset in northwest Queensland is a 100 per cent. interest in the Lady Annie copper oxide mining project and associated exploration tenements (collectively known as the "Lady Annie Project").

2.1 PURPOSE FOR WHICH THE REPORT WAS PREPARED

Snowden has prepared this report accordance with:

- The requirements set out in paragraphs 131-133 of the recommendations of the Committee of European Securities Regulators ("CESR") for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004
- The Prospectus Rules published by the Financial Services Authority ("FSA") from time to time and governed by the United Kingdom Listing Authority ("UKLA").

Snowden understands that this report will be used by CopperCo as part of a submission document to the UKLA relating to its proposed merger with Mineral Securities Limited ("MinSec").

The objectives of this report are to:

1. present for each project a geological description
2. outline previous mining and processing activities
3. present an overview of the currently defined Mineral Resources and Ore Reserves
4. provide an opinion on the development potential of the Lady Annie Project.

2.2 RESPONSIBILITY FOR THE COMPETENT PERSONS' REPORT

Mr J Watson, Mr K Van Olden, Mr J West and Mrs C Standing are the principal authors of this Competent Persons' Report which has been reviewed by Mr J McKibben of Snowden's Corporate Services Division.

In preparing this report, the authors have relied on information provided by CopperCo and research papers published by various academic institutions. The authors have also had discussions with CopperCo senior management regarding various aspects of the Lady Annie Project. A site visit was undertaken by Mr K Van Olden to the Lady Annie project area in April 2008.

2.3 OVERVIEW OF COPPERCO

CopperCo is an Australian Securities Exchange ("ASX") listed, resource company registered in Perth, Western Australia under company number ACN 004 434 904. CopperCo was formerly known as Avon Resources Limited ("Avon") prior to changing its name in September 2004.

CopperCo's key mineral asset is a 100 per cent. interest in the Lady Annie Project. In addition, CopperCo has assembled a regional tenement package, which together with the Lady Annie Project, cover a combined area of more than 2,500 km? in the Mount Isa district of northwestern Queensland, Australia.

In September 2007 CopperCo commenced copper production from the first of five deposits at the Lady Annie Project. The Lady Annie treatment plant is centrally located within the tenement package and adjacent to the Mount Kelly area, where the first ore sources, Mount Clarke and Flying Horse are currently being mined. The Lady Annie deposit is located approximately 20 km to the northwest and is forecast to commence production during 2008.

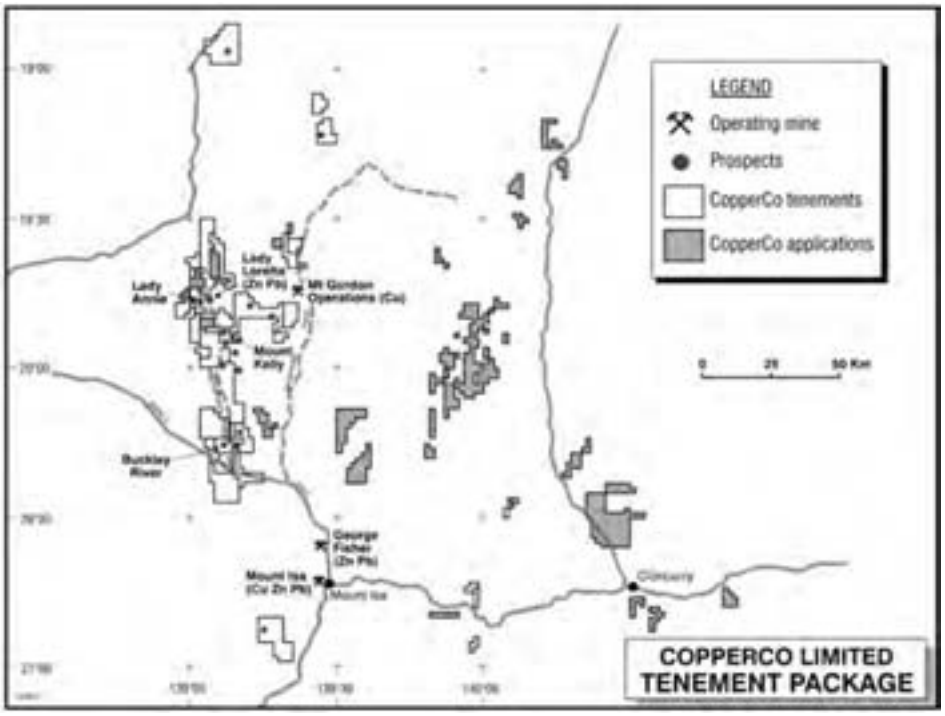
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3. PROPERTY DESCRIPTION AND LOCATION

3.1 INTRODUCTION

CopperCo's tenement portfolio is centred on the Lady Annie processing operation some 120 km north-northwest of the regional centre of Mount Isa in northwestern Queensland. CopperCo's tenement holdings are illustrated in Figure 3.1.

Figure 3.1 Location of CopperCo's Lady Annie Project and associated exploration tenements



There are four components to the "property" considered in this report, firstly, the Lady Annie Area, secondly, the Mount Kelly Area, thirdly, the Buckley River Area, and fourthly, the Regional Projects. For the purpose of this report, the Lady Annie, Mount Kelly and Buckley River Areas are collectively known as the Lady Annie Project. The Regional Projects are grouped to the Western Area, comprising the Cartridge Creek, Valparaisa, Torpedo Creek, Battle Creek and Toby Creek project areas, and the Eastern Area, comprising the Cameron River, Round Mount and Mount Birnie project areas. A list of CopperCo's tenements and defined Areas and Projects is presented in Table 3.1

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Table 3.1 Tenements within Lady Annie, Mount Kelly and Buckley River Areas and Regional Projects

Tenement Number	Tenement Name	Area	Project
EPM11185	Buka 01	Lady Annie	Lady Annie
EPM11649	Buka 04		
EPM11660	Buka 06		
EPM11661	Buka 02		
EPM14259	Buka 03		
EPM14697	Lady Agnes		
Sub Lease/MLA90179[1]	Lady Annie		
EPM11586	Buka 05	Mount Kelly	
EPM11637	Redie Creek		
EPM11669	Eastern Creek		
EPM11670	Gun Creek		
EPM14384	Lady Maggie		
EPM14693	Judenham Creek		
EPM7487	Mount Kelly		
ML5426	Mcleod Hill		
ML5435	Mount Kelly		
ML5446	Flying Horse No.1		
ML5447	Spinifex Queen		
ML5448	Flying Horse No.2		
ML5474	Mcleod Hill		
ML5476	Suzie No.12		
ML5478	Suzie No.14		
ML90168	Mount Clarke		
ML90169	Mount Kelly West		
ML90170	Mount Kelly Extended		
ML90178	MLT		
EPM11777	Johnson Creek	Buckley River	
EPM12589	Kennedy Gap		
EPM13331	Wilfred Creek		
EPM13739	Buckley River		
EPM14112	Cattle Creek		
EPM9916	Anthill-Python		
EPM11672	Torpedo Creek	Western	Regional
EPM14149	Desert Creek		
EPM13176	Valparaisa		
EPM13177	Toby Creek[2]		
EPM14424	Cartridge Creek		
EPM15126	Battle Creek[3]		
EPM11692	Mount Birnie	Eastern	
EPM11919	Cameron River		
EPM11920	Round Mount		

Note: 1.An application is in place for ML90179 – when granted this is expected to replace Sub Lease within ML5568. 2. Xstrata Joint Venture (Xstrata earning in); 3. Burt Joint Venture (CopperCo earning in);

The Lady Annie Project area can be reached by road from the city of Mount Isa in approximately 2 hours. Access to the project from Mount Isa is via the sealed Barkly Highway, the all-weather McNamara's Road and then via the Lady Loretta access road. The Barkly Highway is the main thoroughfare connecting northwestern Queensland to the east coast of Australia and the Northern Territory. The nearest commercial airport is located at Mount Isa with daily connections to Cairns, Townsville and Brisbane.

The area covers part of the Georgina River catchment and comprises mainly flat to slightly undulating grassland and scrubland with ranges of low hills and a dissected plateau with steep-sloped mesas generally capped by Mesozoic laterite rising about 50 m above the valleys. The vegetation cover is dominated by eucalyptus and acacia scrub.^

The climate of the surrounding area reflects both tropical and continental influences with hot summers and mild winters. Summer temperatures average 36°C (based on information for Mount Isa airport) although these commonly exceed 40°C, with December typically being the hottest month. July is typically the coldest month with average temperatures of 25°C. Annual rainfall averages 450 mm with the majority falling in January and February.

3.2 LADY ANNIE PROJECT

The Lady Annie Project comprises a generally coherent tenement package which extends over a north-south distance of approximately 100 km to the north and south of the Lady Annie deposit. Given the linear nature of the project area, CopperCo has divided it into three main areas; the Lady Annie Area which encompasses the Lady Annie deposit and extends over the northwestern portion of the project; the Mount Kelly Area which covers the Mount Kelly deposit and the central and eastern portions of the project, and the Buckley River Area which covers the southern portion of the project.

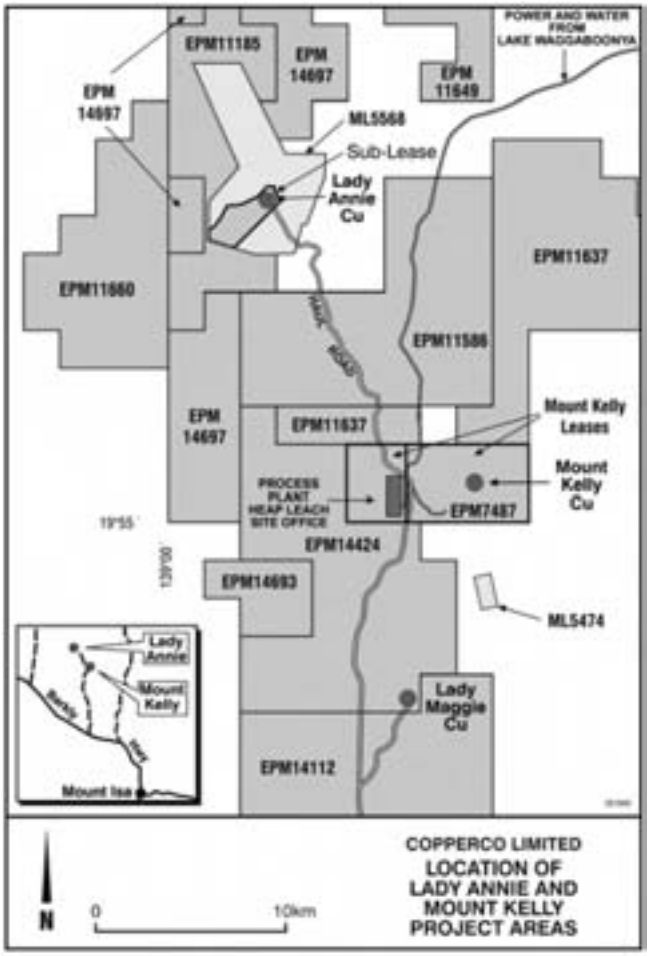
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CopperCo has defined oxide copper Mineral Resources within the Mount Kelly, Lady Annie and Buckley River Areas in addition to sulphide copper Mineral Resources at Lady Annie and Mount Kelly.

3.2.1 Lady Annie Area

The Lady Annie deposit is located approximately 20 km northwest of CopperCo's treatment plant, some 140 km north-northwest of Mount Isa and 2.5 km west of the Lady Loretta zinc-lead-silver deposit (held by third parties) (Figure 3.2). The Lady Annie deposit is forecast to commence oxide copper production during 2008. Additional resources have been identified within the transitional chalcocite and primary sulphide material located at depth below the currently defined oxide resource at Lady Annie.

Figure 3.2 Location of Lady Annie Operations and Lady Annie and Mount Kelly tenements



3.2.2 Mount Kelly Area

The Mount Kelly Area lies 100 km north-northwest of Mount Isa and 20 km southeast of the Lady Annie deposit, and is accessed via the sealed Barkly Highway and all-weather McNamara's Road, which also provides access to the Lady Annie copper oxide deposit and Lady Loretta lead-zinc deposit (held by third parties) further to the north (Figure 3.2). The Area contains a number of historic mine workings that produced small quantities of high grade copper oxide ore including the Mount Clarke, Flying Horse, Mount Kelly Workings and Macleod Hill prospects. CopperCo has identified Mineral Resources at the Mount Clarke, Flying Horse, Mount Kelly Workings and Swagman deposits.

3.2.3 Buckley River Area

The Buckley River Area is located 70 km northwest of Mount Isa and 45 km south of the Lady Annie treatment plant, and is accessed via the Barkly Highway, McNamara's Roads and station tracks. The Area covers the Anthill and Johnson Creek copper prospects.

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3.3 REGIONAL PROJECTS

3.3.1 Western Area

Cartridge Creek

CopperCo's Cartridge Creek project consists of a single granted exploration permit (EPM14424), located 250 km north of Mount Isa. The project area is accessed via the Camooweal to Burketown Road, which runs northeast through the northern part of the tenement. Access through the remaining project area is provided by station and old mineral exploration tracks. The area reportedly hosts several copper and lead-zinc-silver prospects associated with major faults. The terrain of the project area is dominated by the Gregory River and associated alluvial plains.

Valparaisa

CopperCo's Valparaisa project comprises a single granted exploration permit (EPM13176) located 160 km north of Mount Isa. The project area can be accessed either from the south via the Gunpowder Road, or from the north via station tracks. The project area covers an undulating terrain where access can be difficult.

Torpedo Creek

CopperCo's Torpedo Creek area is located 3 to 15 km north of Birla Minerals Limited's Mount Gordon copper mining and processing operation. The project area comprises two granted exploration permits (EPM14149 – Desert Creek and EPM11672 - Torpedo Creek). The project lies approximately 150 km north of Mount Isa and can be accessed via the Gunpowder Road from the Barkly Highway.

Toby Creek

CopperCo's Toby Creek project area comprises a single granted exploration permit (EPM13177) located 30 km southwest of Mount Isa. The project is readily accessed via road and station tracks from Mount Isa.

Battle Creek

CopperCo's Battle Creek tenement (EPM15126) is located to the north of Mount Kelly and covers a broad area between Lady Annie and Mount Gordon.

3.3.2 Eastern Area

Cameron River

CopperCo's Cameron River project area comprises a single granted exploration permit (EPM11919) located 50 km east southeast of Mount Isa. The project is readily accessed via road and station tracks from the Barkly Highway.

Round Mount

CopperCo's Round Mount project area comprises a single granted exploration permit (EPM11920) located 70 km east northeast of Mount Isa adjacent to Zinifex's Dugald River deposit. The project is readily accessed via road and station tracks from the Barkly Highway.

Mount Birnie

CopperCo's Mount Birnie project area comprises a single granted exploration permit (EPM11692) located 110 km south southeast of Mount Isa. The project is readily accessed via road and station tracks from Mount Isa.

4. TENURE AND OWNERSHIP

4.1 RELEVANT LEGISLATION

Mining activities in Queensland are regulated by the *Mineral Resources Act 1989 (Qld)* and the *Mineral Resources Regulations 2003 (Qld)*.

To conduct mining operations in Queensland, a Mining Lease must be obtained and rent is payable in advance for each year of a Mining Lease. The holder of a Mining Lease must also pay a royalty at a prescribed or variable rate. Currently, the prescribed rate for copper is 2.2 per cent. of the gross revenue.

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4.2 TENURE

Snowden has been advised by CopperCo that the company currently holds 28 granted Exploration Permits for Minerals ('EPM') covering a total area of 1,901 km^2 (8 of which have applications for extension), 45 EPM applications (for 2,752 km^2), 12 granted Mining Leases (for 24.47 km^2) and two Mining Lease applications ('MLA') (for 4.98 km^2). The current status of CopperCo's Lady Annie project tenements is presented in Table 4.1.

Table 4.1 Status of CopperCo's Lady Annie project tenements (as advised by CopperCo)

Tenement number	Holder	CopperCo's Equity	Grant Date	Expiry Date	Area (ha)	Rent (A$)	Expenditure Commitment 2008 (A$)
Exploration Permits for Minerals (EPM)							
EPM7487	CopperCo Ltd.	100	29-Aug-90	28-Aug-08	1,920	748	222,000
EPM9916	Lady Annie Ops	100	17-Feb-94	16-Feb-10	4,480	1,744	100,000
EPM11185	CopperCo Ltd	100	13-Sep-96	31-Dec-10	2,560	997	125,000
EPM11586	CopperCo Ltd	100	8-Oct-04	7-Oct-09	4,800	1,869	100,000
EPM11637	Lady Annie Ops	100	19-Aug-04	18-Aug-09	14,400	5,607	15,000
EPM11649	CopperCo Ltd	100	8-Oct-04	7-Oct-09	5,440	2,118	100,000
EPM11660	CopperCo Ltd	100	8-Oct-04	7-Oct-09	2,880	1,121	100,000
EPM11661	CopperCo Ltd	100	8-Oct-04	7-Oct-09	1,920	748	100,000
EPM11669[3]	Lady Annie Ops	100	18-Aug-04	17-Aug-07	1,600	623	100,000
EPM11670[3]	Lady Annie Ops	100	19-Aug-04	18-Aug-07	4,480	1,744	170,000
EPM11672[3]	Lady Annie Ops	100	14-Sep-04	13-Sep-07	2,560	997	170,000
EPM11692	Millenium	100	5-Aug-04	4-Aug-09	960	374	15,000
EPM11777[3]	Lady Annie Ops	100	18-Aug-04	17-Aug-07	4,480	1,744	25,000
EPM11919	Millenium	100	16-Jul-03	15-Jul-08	2,560	997	60,000
EPM11920	Millenium	100	16-Jul-03	15-Jul-08	960	374	30,000
EPM12589	Lady Annie Ops	100	24-Aug-04	23-Aug-09	7,360	2,866	75,000
EPM13176[3]	Savannah	100	14-Aug-03	13-Aug-05	10,560	4,112	50,000
EPM13177[3]	Savannah	100[1]	9-Nov-05	8-Nov-07	14,400	5,607	0
EPM13331[3]	Lady Annie Ops	100	1-May-01	30-Apr-06	10,560	4,112	130,000
EPM13739[3]	Lady Annie Ops	100	23-Sep-02	22-Sep-07	17,600	6,853	220,000
EPM14112	Lady Annie Ops	100	14-Sep-04	13-Sep-09	14,720	5,732	75,000
EPM14149	Lady Annie Ops	100	20-Oct-04	19-Oct-08	3,840	1,495	60,000
EPM14259	CopperCo Ltd	100	19-Oct-04	18-Oct-09	320	125	25,000
EPM14384	Savannah	100	13-Sep-05	12-Sep-10	5,760	2,243	80,000
EPM14424	Savannah	100	27-Jun-05	26-Jun-10	14,400	5,607	150,000
EPM14693	Savannah	100	28-Sep-07	27-Sep-12	1,600	623	20,000
EPM14697	Savannah	100	21-Aug-06	20-Aug-11	15,680	6,105	50,000
EPM15126	Terrence Burt	51[2]	22-Aug-06	30-May-11	17,280	6,728	100,000
Mining Leases							
ML5426	Lady Annie Ops	100	10-Jan-74	31-Jan-27	4		195
ML5435	Lady Annie Ops	100	10-Jan-74	31-Jan-09	4		190
ML5446	Lady Annie Ops	100	14-Feb-74	28-Feb-10	28		1,366
ML5447	Lady Annie Ops	100	10-Jan-74	31-Jan-10	28		1,361
ML5448	Lady Annie Ops	100	10-Jan-74	31-Jan-10	8		365
ML5474	Lady Annie Ops	100	10-Jan-74	31-Jan-11	130		6,253
ML5476	Lady Annie Ops	100	10-Jan-74	31-Jan-11	111		5,350
ML5478	Lady Annie Ops	100	10-Jan-74	31-Jan-11	13		625
ML90168	Lady Annie Ops	100	14-Dec-06	31-Dec-27	4		195
ML90169	Savannah	100	14-Dec-06	31-Dec-27	644		30,976
ML90170	Lady Annie Ops	100	14-Dec-06	31-Dec-27	1,118		53,776
ML90178	Lady Annie Ops	100	9-Aug-07	31-Aug-28	354		17,027
MLA90179	Lady Annie Ops	100	Application		489		23,521
MLA90184	Lady Annie Ops	100	Application		9		433

Notes: Lady Annie Ops = Lady Annie Operations Pty Ltd, Savannah = Savannah Resources Pty Ltd, Millenium = Millenium Minerals (Operations) Pty Ltd. These entities are all wholly owned subsidiary companies of CopperCo Limited. The tenement areas outlined above are based on the conversion one sub-block = 320 ha. 1. Xstrata Joint Venture (Xstrata earning in); 2. Burt Joint Venture (CopperCo earning in); 3. Applications for renewal submitted to DME (Queensland Government, Department of Mines and Energy).

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Table 4.1 cont. Status of CopperCo's Lady Annie project tenements (as advised by CopperCo)

Tenement number	Holder	CopperCo's Equity	Area (ha)	Expenditure Commitment 2009 (A$)
EPM Applications - Conditionally Surrendered Areas				
EPM15321	Lady Annie Ops	100	17,600	
EPM16240	Lady Annie Ops	100	6,080	
EPM16241	Lady Annie Ops	100	6,400	
EPM16242	Lady Annie Ops	100	16,320	
EPM16243	Savannah	100	26,880	
EPM16244	Lady Annie Ops	100	59,200	
EPM Applications				
EPM16529	Lady Annie Ops	100	960	10,000
EPM16530	Lady Annie Ops	100	2,560	
EPM17088	Lady Annie Ops	100	3,520	60,000
EPM17339	Lady Annie Ops	100	5,760	
EPM17165	Lady Annie Ops	100	3,200	10,000
EPM17495	Lady Annie Ops	100	1,280	2,000
EPM17167	Lady Annie Ops	100	1,920	10,000
EPM17170	Lady Annie Ops	100	2,240	7,000
EPM17432	Lady Annie Ops	100	2,560	16,000
EPM17418	Lady Annie Ops	100	2,880	14,000
EPM17312	Lady Annie Ops	100	3,520	20,000
EPM17295	Lady Annie Ops	100	23,680	50,000
EPM17498	Lady Annie Ops	100	2,560	8,000
EPM17497	Lady Annie Ops	100	1,600	5,000
EPM17491	Lady Annie Ops	100	3,200	10,000
EPM17493	Lady Annie Ops	100	1,920	6,000
EPM17490	Lady Annie Ops	100	3,840	12,000
EPM17494	Lady Annie Ops	100	1,280	4,000
EPM17433	Lady Annie Ops	100	640	4,000
EPM17311	Lady Annie Ops	100	2,560	20,000
EPM17308	Lady Annie Ops	100	4,480	25,000
EPM17298	Lady Annie Ops	100	3,520	20,000
EPM17414	Lady Annie Ops	100	320	3,000
EPM17411	Lady Annie Ops	100	320	3,000
EPM17530	Lady Annie Ops	100	2,880	25,000
EPM17531	Lady Annie Ops	100	640	6,000
EPM17527	Lady Annie Ops	100	22,080	280,000
EPM17535	Lady Annie Ops	100	640	6,000
EPM17525	Lady Annie Ops	100	1,600	15,000
EPM17419	Lady Annie Ops	100	1,600	10,000
EPM17442	Lady Annie Ops	100	3,200	20,000
EPM17469	Lady Annie Ops	100	1,920	6,000
EPM17470	Lady Annie Ops	100	640	2,000
EPM17415	Lady Annie Ops	100	1,920	35,000
EPM17533	Lady Annie Ops	100	3,520	25,000
EPM17281	Lady Annie Ops	100	1,920	10,000
EPM17428	Lady Annie Ops	100	8,640	45,000
EPM17429	Lady Annie Ops	100	7,360	40,000
EPM17412	Lady Annie Ops	100	3,840	25,000

Notes: Lady Annie Ops = Lady Annie Operations Pty Ltd, a wholly owned subsidiary company of CopperCo Limited.
The tenement areas outlined above are based on the conversion one sub-block = 320 ha.

ML90178 and MLA90184 are Mining Leases for transport and have been acquired by CopperCo for infrastructure associated with the Lady Annie Operation.

CopperCo has a number of EPM applications to the east of the Lady Annie Project tenements as illustrated in Figure 3.1. These tenements remain to be granted and are reportedly at an early stage of assessment. As such these tenements have not been discussed in detail in this report.

4.3 PERMITS

An Environmental Management Plan ("EMP") and Environmental Authority Amendment ("EAA") for the initial Lady Annie Project was submitted to the Queensland Environmental Protection Agency in January 2006. This process provided approval for mining activities associated with open cut mining of copper oxide ore from the Mount Clarke and Flying Horse deposits over a six year mine life. Approval was granted for processing of the ore by heap leach, solvent extraction and electrowinning at a rate of up to 19,000 tonnes per annum ("tpa") of London Metals Exchange ("LME") Grade A copper cathode.

Since the initial approval, three amendment applications have been lodged to include the addition of three additional Mining Leases. The first (ML90178) covers a corridor for a power transmission line and water pipeline; the second (MLA90179) adds the Lady Annie mining area to the project; and the third (MLA90184) provides for the Birla Infrastructure, to cover the final extent of the power transmission and water pipeline, over Aditya Birla Minerals Limited's Mount Gordon project tenements to Ergon Energy's switchyard. A plan of operations was submitted to the Queensland Environmental Protection Agency and was subsequently approved in June 2007.

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An EMP and EAA was lodged in June 2007 for the expansion of the Lady Annie mining and processing operation up to 3.3 Mtpa of copper oxide ore and produce 25,000 tpa of copper cathode. The EMP and EAA were assessed and accepted by Queensland Environmental Protection Agency. In addition CopperCo has received EA approval to increase production from 25,000 tpa of copper cathode to 30,000 tpa copper cathode and a Replacement Plan of Operations for the project has been lodged with the Queensland Environmental Protection Agency.

4.4 KEY AGREEMENTS

There is a Sub Lease agreement associated with ML5568 and that application for ML90179 is in place which, when granted, will supersede this Sub Lease area. CopperCo expects this new Mining Lease to be granted in the first half of calendar year 2008.

During 2005, CopperCo entered into a Farm-in and Joint Venture agreement with Xstrata Copper over EPM13177 (Toby Creek). This agreement allows Xstrata to earn a 55 per cent. interest in the tenement after expending a minimum of $2.1 million over 4 years. Xstrata may earn a further 20 per cent. interest by sole funding $10 million in Joint Venture expenditure or by completing a Bankable Feasibility Study.

During 2006, Reefway Pty Ltd ("Reefway") (a wholly owned subsidiary company of CopperCo) entered into a Farm-in and Joint Venture agreement with Terrence John Burt over EPM15126 (Battle Creek). This agreement allows Reefway to earn an initial 51 per cent. interest by sole funding exploration expenditure of $50,000 before 30 May 2007. A 51 per cent. interest was registered with the Department of Mines and Energy in June 2007. An additional 29 per cent. can be earned by expenditure of a further $100,000 over 24 months. In total, Lady Annie Operations Pty Ltd can earn up to 80 per cent. equity in EPM 15126 by expenditure of $150,000. Reefway may then earn an additional 12.5 per cent. interest in the tenement by undertaking a Feasibility Study.

4.5 NATIVE TITLE

On 5 October 2006, CopperCo announced an agreement with the Kalkadoon people, the traditional owners of the land that comprise the Lady Annie Project. This agreement allowed the grant of five Mining Leases within CopperCo's Lady Annie Project.

5. GEOLOGY SETTING AND MINERALISATION

5.1 REGIONAL GEOLOGY

The Mount Isa Inlier occupies an area of 50,000 km^2 and consists of north-trending belt of Early Proterozoic basement rocks (the Kalkadoon-Leichhardt Belt) flanked by two belts of Middle Proterozoic rocks, known as the Eastern and Western Fold Belts (Figure 5.1). The Western Fold Belt is subdivided by the Mount Gordon Fault into the Lawn Hill Platform in the west and Leichardt River Trough in the east. The Eastern Fold Belt is subdivided from west to east into the Quamby-Malbon and Cloncurry-Selwyn Zones. The Mount Isa Block has been intruded by Palaeoproterozoic and Mesoproterozoic granitic batholiths.

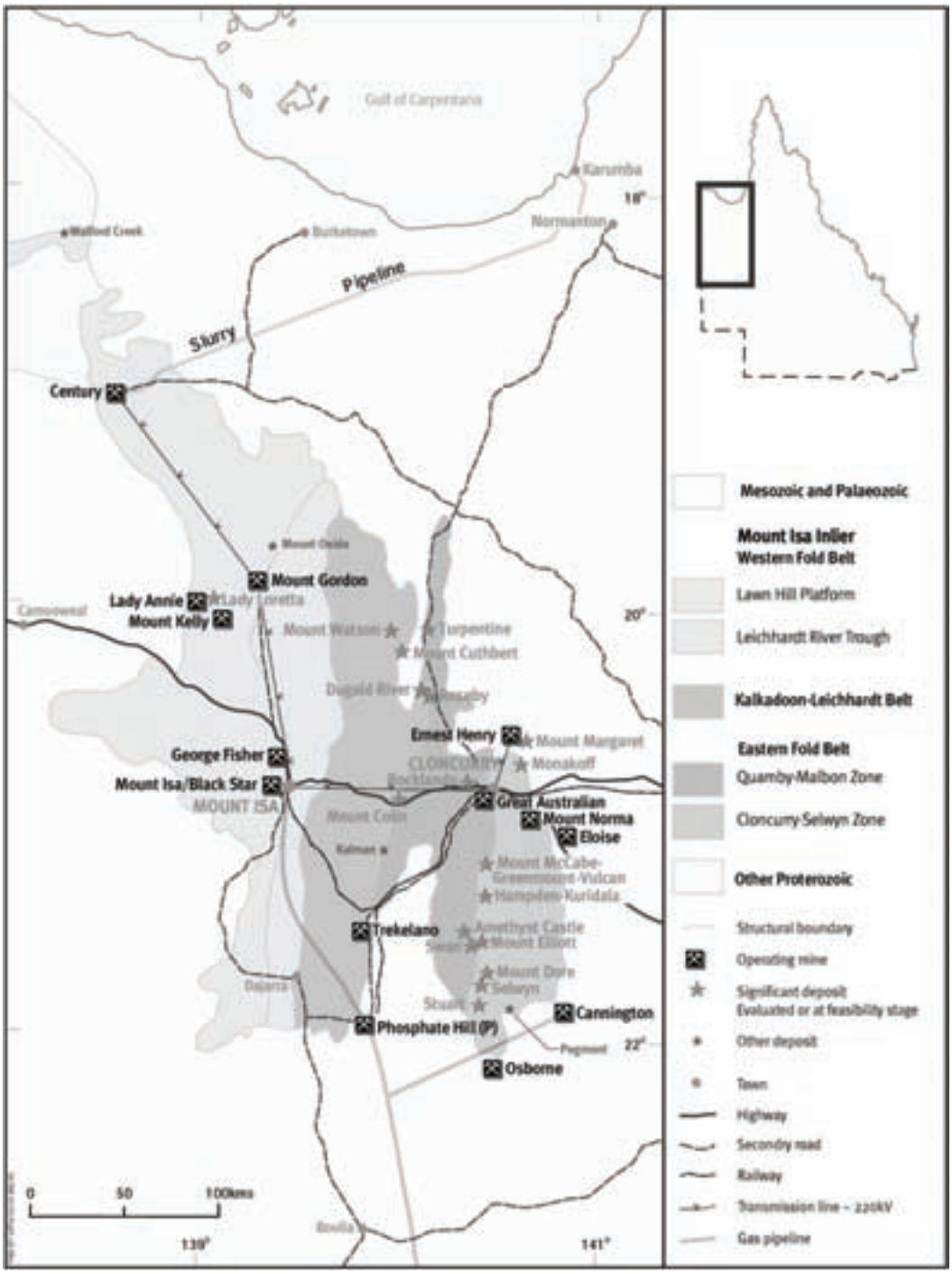
Rocks of the Eastern and Western Fold Belts record a complex history of intra-continental rifting and subsidence during the period 1,800 to 1,590 million years ago (Ma), followed by compression, basin inversion and regional wrenching during the Isan Orogeny (1,590 to 1,500 Ma).

Although geological correlations may be drawn between the Eastern and Western Fold Belts, they are best considered as separate entities, for the following reasons:

- the rocks of the Eastern Succession are more highly deformed and metamorphosed than those in the Western Fold Belt;
- there are different rock units in the two zones
- the Eastern Fold Belt is more heavily invaded by granites
- there are differences in the mineral deposit styles.

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Figure 5.1 Simplified geological framework of the Mount Isa Inlier (after Queensland Mining 2008)



Within the Western Fold Belt, the area to the east of the Mount Gordon Fault is assigned to the Mount Isa Group (maximum thickness of 4,500 m) within the Leichhardt River Fault Trough. The equivalent sequence to the west of the fault is assigned to the McNamara Group (maximum thickness of 8,500 m) deposited in the Lawn Hill Platform.

The Mount Isa Group can be correlated with the Lower McNamara Group. Both groups consist of shale and siltstone units which are overlain by dolomitic and carbonaceous siltstone with less quartzite, dolomite and chert, and are underlain by quartzite and siltstone units. The Middle Proterozoic McNamara Group is host to many of the significant base metal deposits within the Mount Isa Block, including the Lady Loretta, Century and Lady Annie deposits. The Mount Isa Group hosts the Mount Isa, Mount Gordon, Mount Oxide, Hilton and George Fisher base metal deposits.

The regional metamorphic grade is lower greenschist facies with localised intense shearing having generated thin wisps and zones of graphitic material. Any primary hydrothermal alteration overprint of the host rocks has been obliterated within the weathered zone.

Northwestern Queensland has been subject to prolonged rock weathering which has resulted in a weathering profile which is both deep and complex. In many areas the rocks are weathered to depths in excess of 50 m, with over 100 m not uncommon. Unconsolidated Tertiary to Recent sediments blanket areas of Proterozoic bedrock. These sediments are commonly 20 to 30 m thick and in places are in excess of 100 m thick. The deep weathering profile and complex weathering history has therefore produced a challenging exploration environment for the discovery of further deposits.

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The Lady Annie Project and the tenements within CopperCo's Western Area occur within the Western Fold belt. CopperCo's Eastern Area tenements are located within the Mary Kathleen Zone of the Kalkadoon-Leichhardt Belt.

5.2 PROJECT GEOLOGY

The Lady Annie Project and CopperCo's Western Area tenements (comprising the Cartridge Creek, Torpedo Creek, Valparaisa, Toby Creek and Battle Creek regional projects) are located within Middle Proterozoic Lawn Hill Platform and Leichardt River Trough of the Western Fold Belt.

The geology of the area can be broadly summarised as:

- a basal sequence of mafic meta-volcanics belonging to either the Fiery Creek Group or the Eastern Creek Volcanics
- an unconconformably overlying quartz sandstone sequence assigned to the Surprise Creek Formation
- sedimentary units of the McNamara Group, comprising from the lowermost to uppermost:
  - the Torpedo Creek Quartzite
  - the Gunpowder Creek Formation – laminated dolomitic and carbonaceous siltstones, fine grained sandstones and green to red coloured micaceous siltstones
  - the Mount Oxide Chert – laminated, fine grained siliceous material up to 5 m thick
  - the Paradise Creek Formation – interbedded dolomitic and carbonaceous siltstones, shales and fine-grained sandstones
  - the Esperanza Formation – dolomitic siltstones and sandstones with siliceous stromatolitic beds
  - the Lady Loretta Formation – dolomitic siltstones and sandstones with occasional primary carbonate lithologies.

The copper deposits lie within an area of complex faulting with numerous faults showing a wide range of orientations and ages. Most of the faults appear to be normal faults, some with a wrench component.

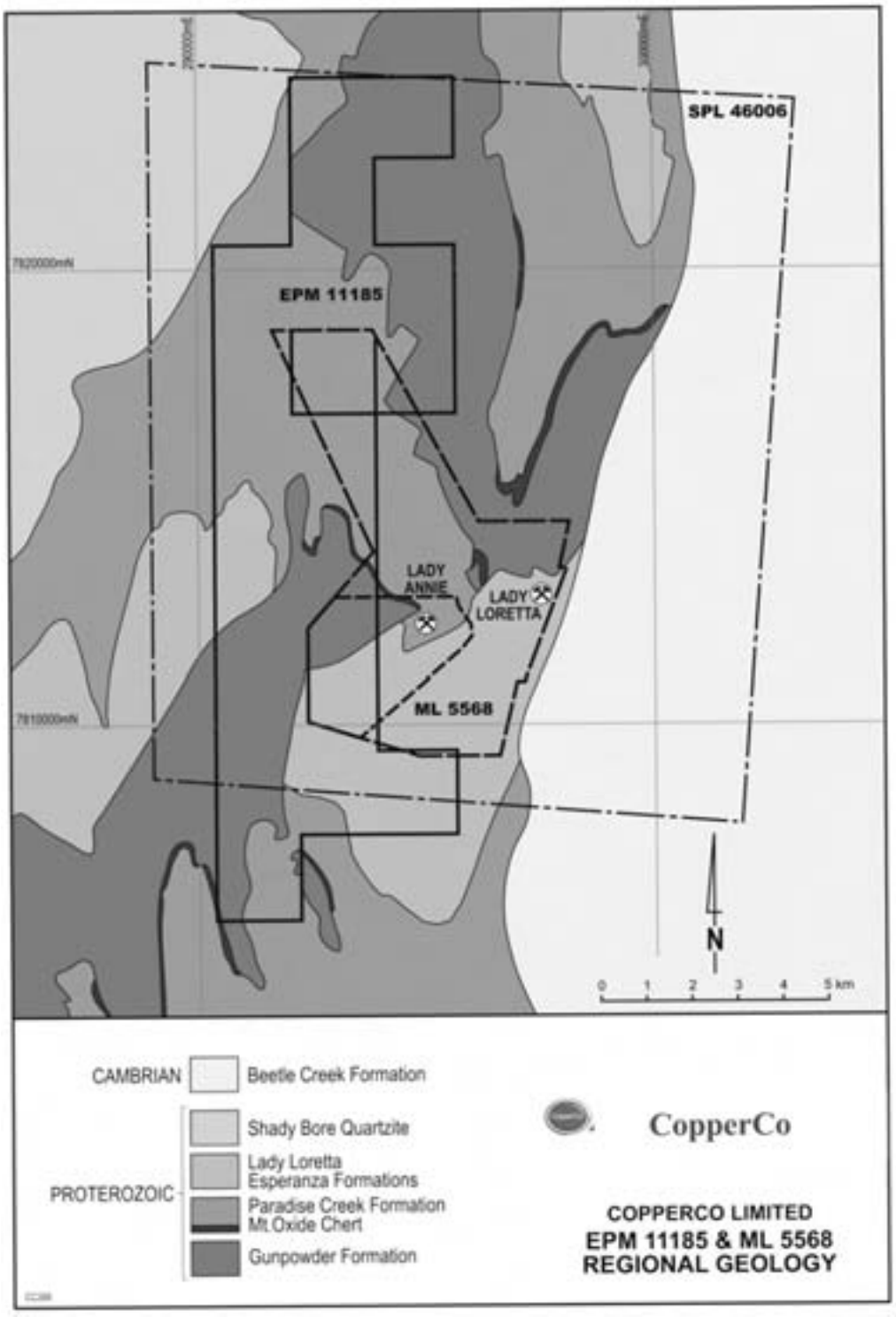
5.2.1 Lady Annie Area

The Lady Annie Area is located on the western boundary of the Lawn Hill Platform (Figure 5.2) and is dominated by volcano-sedimentary rocks of the McNamara Group. The Lady Annie deposit is hosted by fault bounded blocks of gently folded Paradise Creek and Upper Gunpowder Creek Formations. Extensive weathering has produced a base of complete oxidation at around 80 m, although locally the weathering front may be as deep as 300 m below surface.

The Lady Annie area is contained within the north-south trending Lady Loretta High Strain Zone. This strain zone is bounded to the west by the Russell Creek Fault and to the east by the Western Border Fault. Structural characteristics within the zone comprise north-south oriented major upright folding. The east-northeast trending Carlton Fault transects the area and is thought to be a basin controlling structure.

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Figure 5.2 Geology of the Lady Annie region



Copper mineralisation at Lady Annie is hosted in dolomitic, carbonaceous and argillaceous sandstones and siltstones. Oxidation of these units has removed the dolomitic material leaving behind ferruginous silty sandstones or kaolinitic sandy siltstones.

The Lady Annie copper oxide deposit consists primarily of near surface malachite mineralisation with minor cuprite, chrysocolla and chalcocite extending from surface to a depth ranging between 60 and 100 m. The deposit has an average thickness of 20 to 25 m and consists of three main mineralised areas (Lady Annie, Lady Edith and Flying Pig) within an arc-shaped and continuously mineralised zone hosted by strongly oxidised and weathered sedimentary host rocks. A sub-horizontal blanket of mineralisation is also apparent in the “bridge area” joining the Lady Annie and Flying Pig areas.

Copper oxide mineralisation predominantly comprises malachite, cuprite, chrysocolla, chalcocite and tenorite with relatively rare native copper. The oxide zone mineralisation appears to be controlled by the in-situ oxidation of pre-existing primary copper sulphide species. CopperCo interprets that remobilisation by a reactive groundwater has probably contributed to the formation of a discontinuous blanket of copper carbonate minerals.

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The primary copper sulphide mineralisation at depth is dominated by chalcocite and chalcopyrite which appears to be structurally controlled being commonly associated with well defined fault-related silicification. There is also evidence for stratiform disseminated mineralisation within the gently dipping stratigraphy.

5.2.2 Mount Kelly Area

The Mount Kelly Area is dominated by early to mid Proterozoic siltstones and dolomitic siltstones of the McNamara Group (Figure 5.3). The rock sequence is folded about north-trending axes and is cut by several late stage faults including the regional-scale, north-trending McNamara Fault and the north-northeast trending Mount Gordon Fault, which can be traced for over 150 km and 120 km respectively. The McNamara Fault is often marked by ferruginous outcrops and steep topography.

The strata east of the Mount Gordon Fault, in the Leichhardt River Fault Trough, are assigned to the Mount Isa Group and those to the west, in the Lawn Hill Platform, are assigned to the McNamara Group.

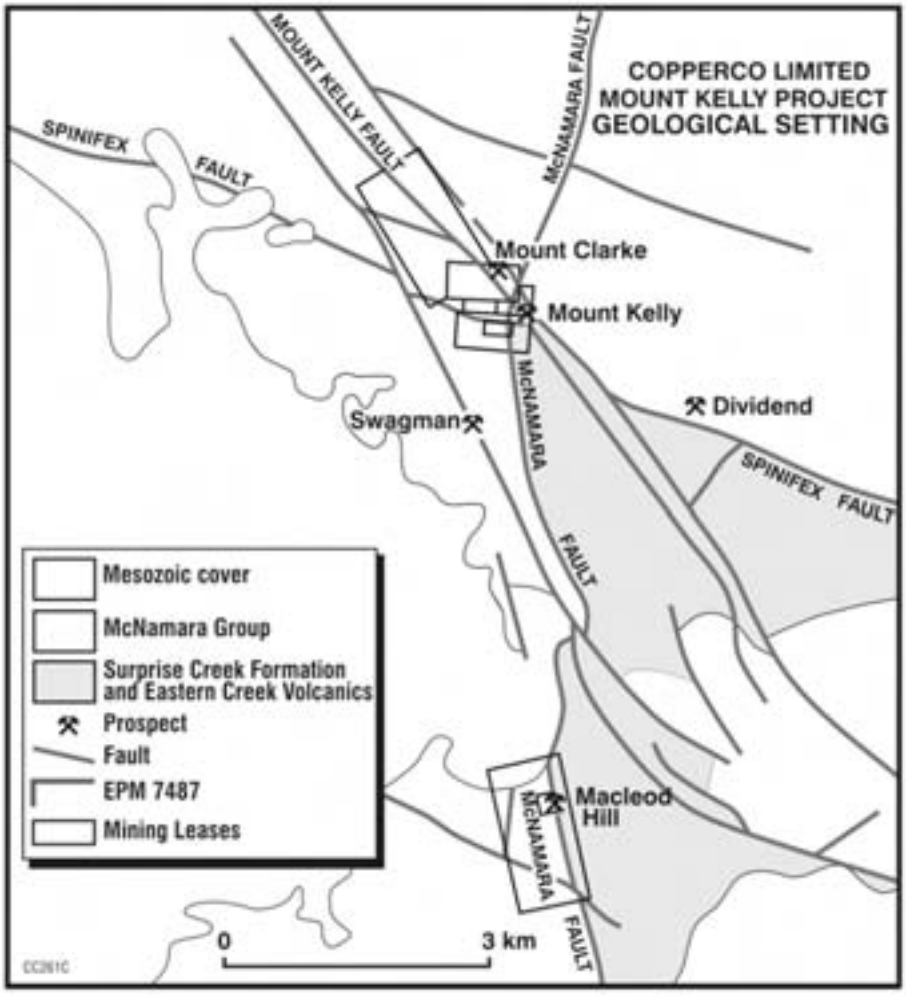
West of the Mount Gordon Fault

Within the Mount Kelly Area to the west of the Mount Gordon Fault, the McNamara Fault juxtaposes units of the Paradise Creek Formation to the west, against the older units of the Surprise Creek and Gunpowder Creek Formations. Basalts of the Eastern Creek Volcanics are also found on the eastern side of the McNamara Fault. Several northwest-trending faults, including the Mount Kelly, Mount Clarke and Spinifex Faults, cut across and displace the McNamara Fault. In the west of the project area, younger Mesozoic cover rocks obscure the basement sequence.

Copper mineralisation occurs with units of the McNamara Group and is reportedly related to the northwest-trending Mount Kelly and Spinifex Faults, which intersect and cut the McNamara Fault. The known mineralisation is associated with multiple phases of brecciation and veining along the fault zones. Outside of the fault zones, the degree of fracturing, veining and copper mineralisation decreases, but can still be evident up to 100 m away from the controlling faults. The primary mineralisation consists of chalcopyrite and pyrite, concentrated in the matrix of breccia zones and in quartz-carbonate stockwork veins. Gold is locally present, both as discrete grains and locked in chalcopyrite. The main copper oxide mineral is malachite, with minor azurite, chrysocolla, cuprite and tenorite. The copper oxide mineralisation appears to be shear and fault controlled.

Mineral resources have been defined at Mount Clarke, Flying Horse, Swagman and Mount Kelly Workings. Additional mineralisation has been identified at Macleod Hill and Dividend prospects.

Figure 5.3 Prospect location and geological setting of the Mount Kelly project area



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The historic Mount Kelly Workings are located in a complex structural setting at the intersection of the McNamara and Mount Kelly Faults (Figure 5.4). These workings consist of a number of trenches and small pits dug into the side of a steep hill following the copper oxide mineralisation along fault structures.

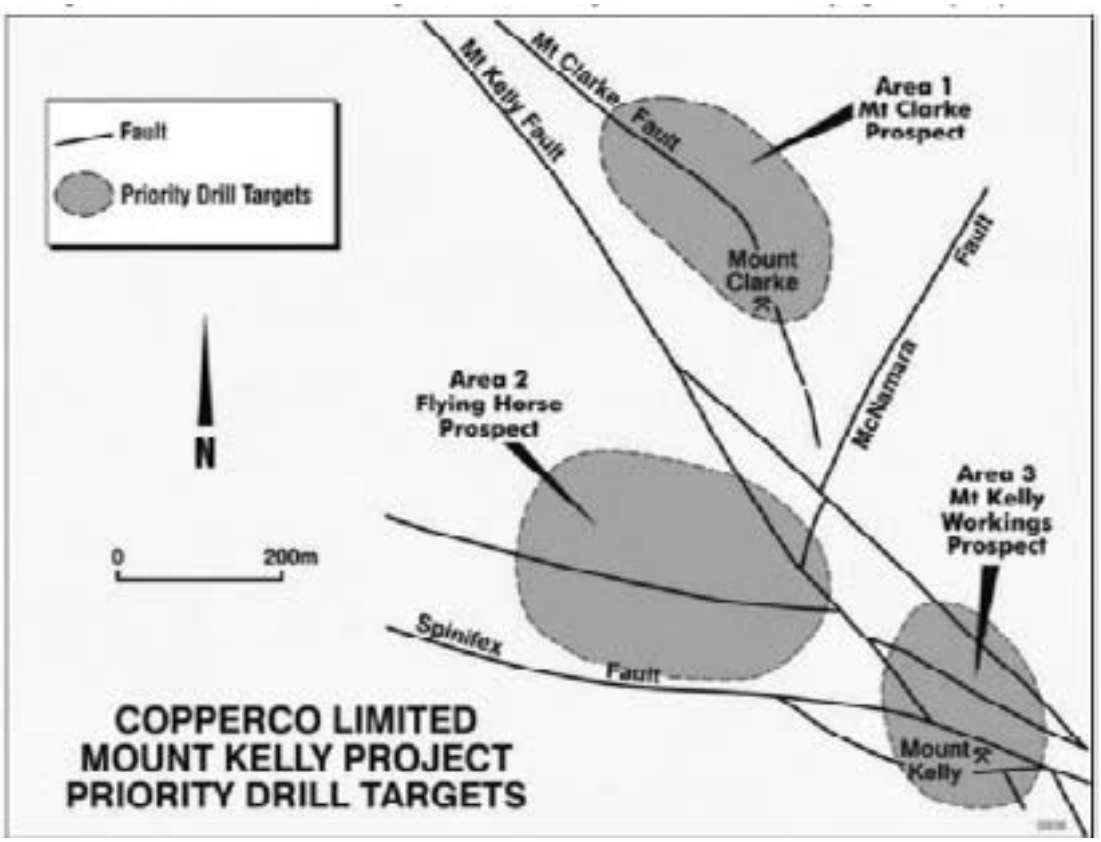
At Mount Clarke, to the northwest of Mount Kelly Workings, there are a number of small trenches excavated into copper oxide mineralisation associated with minor structures. The workings occur in a flat open area with little outcrop.

The Flying Horse prospect is located to the northwest of Mount Kelly Workings.

The McLeod Hill prospect (Figure 5.3), located 5 km south of Mount Kelly within ML5474 and ML5426, straddles the north-trending McNamara Fault. The trace of this fault is marked by the presence of iron-rich outcrops with elevated concentrations of copper and gold mineralisation. Malachite staining is evident on outcrops and there are several historic mine workings located along and adjacent to the fault.

The Dividend prospect lies 3 km east of Mount Kelly in a structurally complex location where the west-northwest trending Spinifex Fault is intersected by a number of other faults. This area was identified by a large bedrock copper geochemical anomaly and elevated copper and gold concentrations associated with iron-rich outcrops. These iron-rich outcrops may represent either fault traces or zones of hydrothermal alteration related to a copper-gold mineralising system.

Figure 5.4 Structural setting of the Mount Kelly, Mount Clarke and Flying Horse prospects

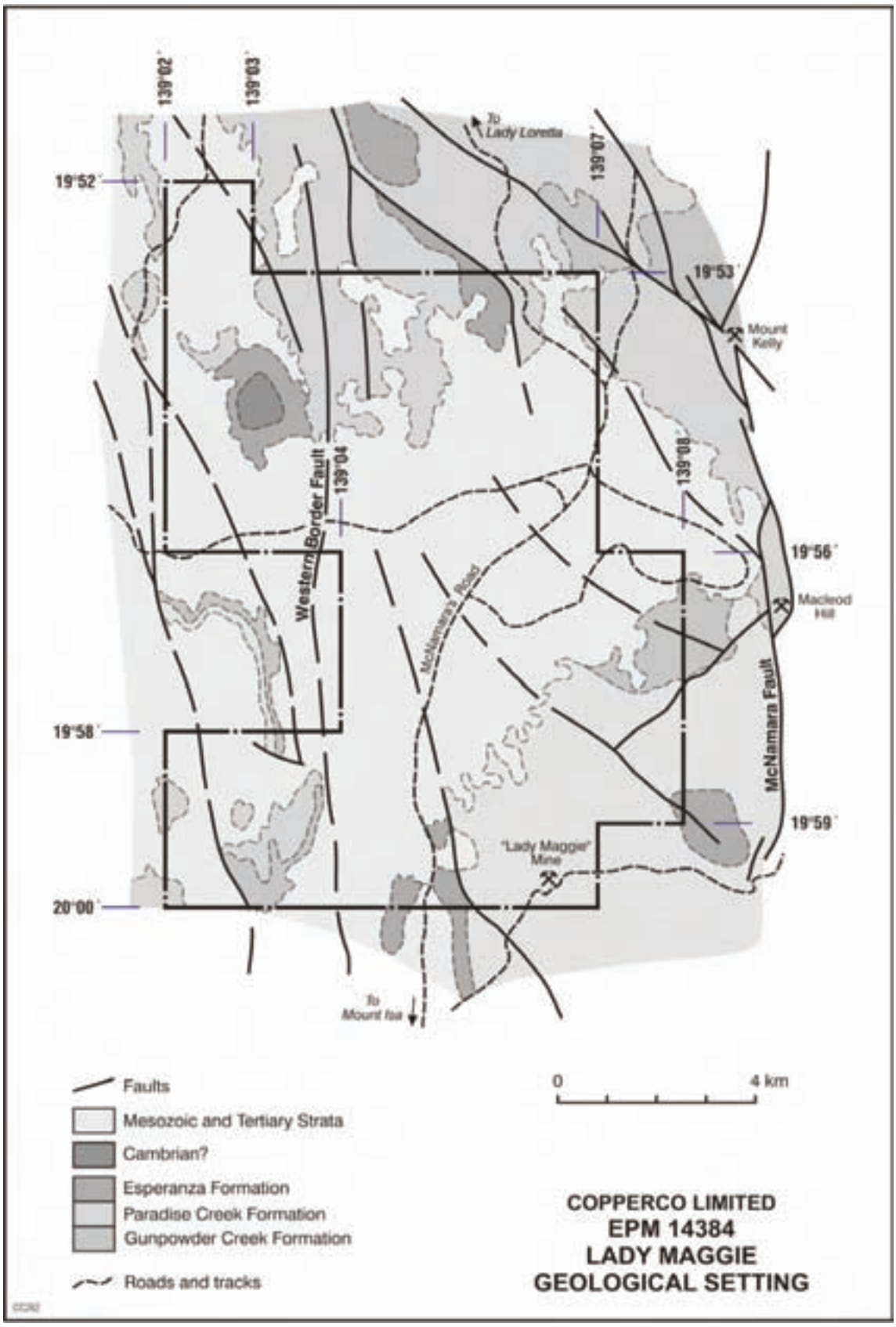


The Lady Maggie (or Boomerang) mine is located in the southeastern corner EPM14384 (Figure 5.5) and was privately held for many years. The geology of the mine and production details are poorly documented. The mine workings consist of a small open cut and a shaft, 50 to 60 m deep. A number of small pits extend for 200 m along the host fault zone. From approximately 1960, small parcels of high grade ore were trucked intermittently to Mount Isa for custom treatment. Total production is estimated to have been about 4,000 t at an average grade of 7.5 per cent. Cu.

The copper mineralisation at Lady Maggie is reported by the Queensland Department of Mines and Energy to be associated with zones of brecciation and iron oxide development in a strongly kaolinitic weathered dolomitic and carbonaceous siltstone unit. The brecciated ferruginous rock defines the presence of a 5 to 10 m wide, northwest-trending mineralised fault zone traceable over at least 500 m. The shaft is developed on a steeply-plunging, pipe-like body located where the northwest-trending fault changes strike to north-northwest and is intersected by an east-trending fault. The host rock is a brecciated quartz-carbonate rock. The reported presence of discontinuous bodies of chert suggests the presence of silica alteration. Malachite is the main copper mineral at surface and at depth in the old workings, the copper mineralisation is associated with subordinate azurite, cuprite and chrysocolla. Deeper levels of the shaft are reported to contain supergene chalcocite and primary chalcopyrite mineralisation.

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Figure 5.5 Geology of the Lady Maggie project area



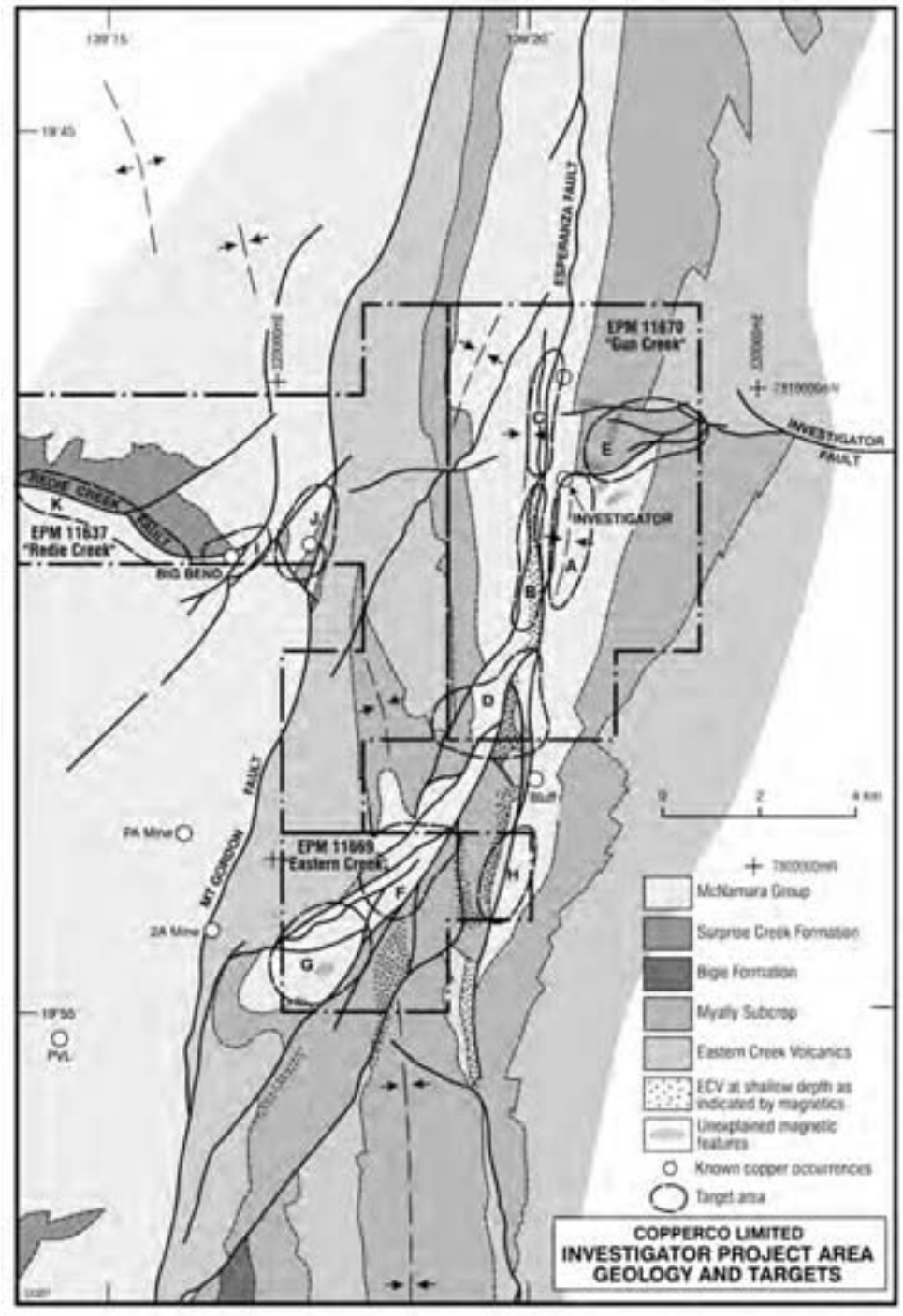
East of the Mount Gordon Fault

The area to the east of Mount Gordon Fault is highly complex characterised by significant faulting and related shear zones, tight folds and extensive alteration. Key structures in the area include the east-trending Investigator and Redie Creek Faults and the north trending Mount Gordon McNamara and Esperanza Faults.

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As a result of this extensive deformation, units of the Paradise Creek, Gunpowder and Surprise Creek Formations are complexly folded and in fault contact with one another and units of the Eastern Creek Volcanics, Myally Subgroup and Eastern Creek Volcanics (Figure 5.6). The Myally Subgroup and Eastern Creek Volcanics form part of the Haslingden Group which underlies the McNamara Group to the east of the Mount Gordon Fault. The Myally Subgroup comprises feldspathic sandstone and quartzite units, whilst the eastern Creek Volcanics consists of mafic volcanic units.

Figure 5.6 Geology of the Eastern Creek, Gun Creek and eastern part of Redie tenements

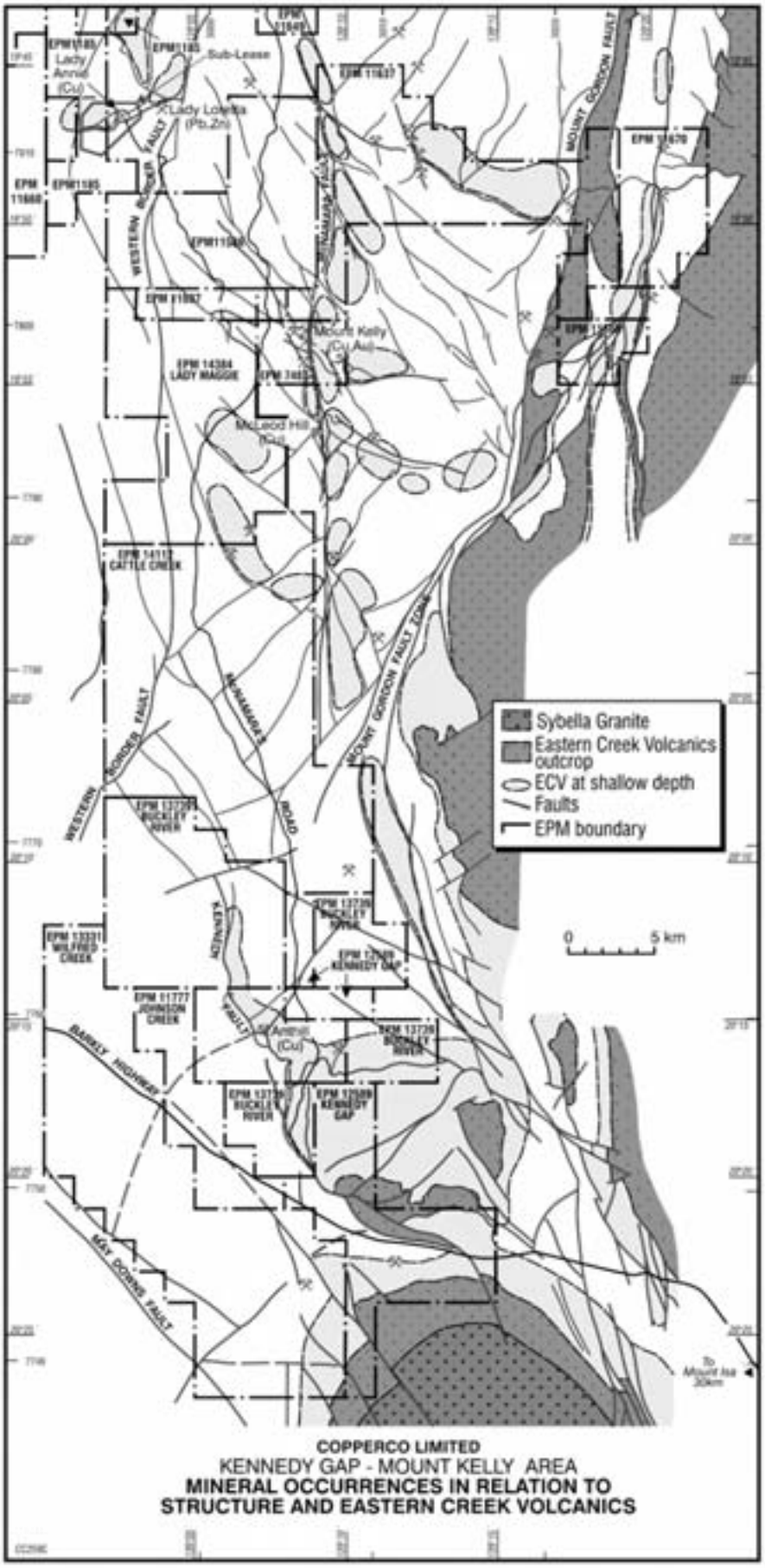


5.2.3 Buckley River Area

The regional geology of CopperCo's Buckley River Area is presented in Figure 5.7. The principal rock types within the Buckley River Area are Proterozoic age siltstones, dolomitic siltstones, cherts and sandstones of the Lower McNamara Group which are folded around north-trending axes and cut by numerous northwest and northeast-trending faults. The main structure traversing the tenement is the north-northwest trending Kennedy Fault. In the south of the project area, the Kennedy Fault juxtaposes the Eastern Creek Volcanics against strata of the McNamara Group. In the southeast corner of the project area, the Johnson Creek Fault forms the northern contact of the Eastern Creek Volcanics and Myally Subgroup with the Lower McNamara Group. The rocks are deeply weathered, generally down to depths of 50 to 60 m and in places much deeper. These rocks are partly obscured by laterite and unconsolidated Tertiary–Quaternary sediments.

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Figure 5.7 Geology of the Buckley River and Mount Kelly Areas



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Previous exploration has shown that the main copper mineralisation is associated with complex structural positions along regional fault structures, in particular the Kennedy Fault (the Anthill prospect) and the Johnson Creek Fault (the Johnson Creek prospect). These faults cut dolomitic and carbonaceous siltstones of the Paradise Creek, Esperanza and Lady Loretta Formations (of the McNamara Group).

5.2.4 Regional Projects

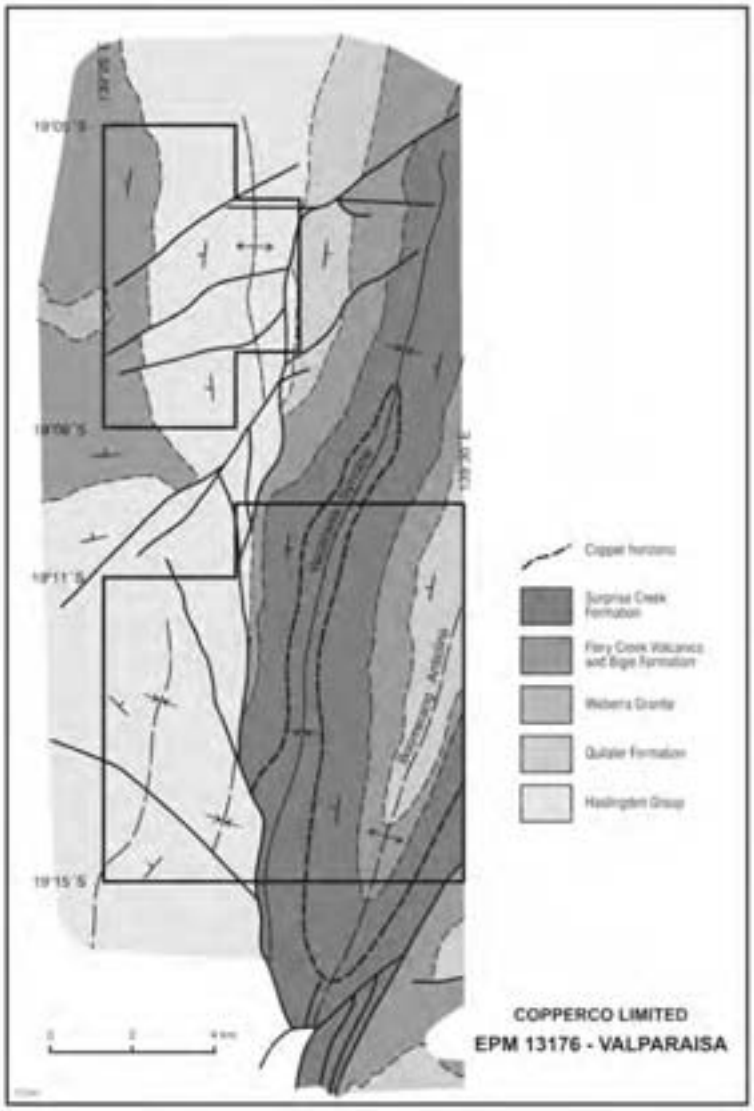
Regional Projects - Western Area

Valparaisa

CopperCo's Valparaisa project covers a portion of the north-trending Valparaisa Fault, juxtaposing basalt of the Eastern Creek Volcanics against younger sedimentary and volcanic rocks

These younger rocks are folded around the north-trending Valparaisa Syncline and Boomerang Anticline. The core of the anticline comprises quartzite and siltstone of the Quilaler Formation overlain disconformably by clastic sediments and bimodal volcanics of the Bigie Formation and Fiery Creek Volcanics. The overlying Surprise Creek Formation occupies the core of the Valparaisa Syncline which terminates abruptly at the Valparaisa Fault. The Valparaisa Fault could represent the northward continuation of the Mount Gordon Fault, a regional-scale structure associated with the significant copper deposits at Gunpowder and Mount Oxide to the south.

Figure 5.8 Geology of the Valparaisa project area

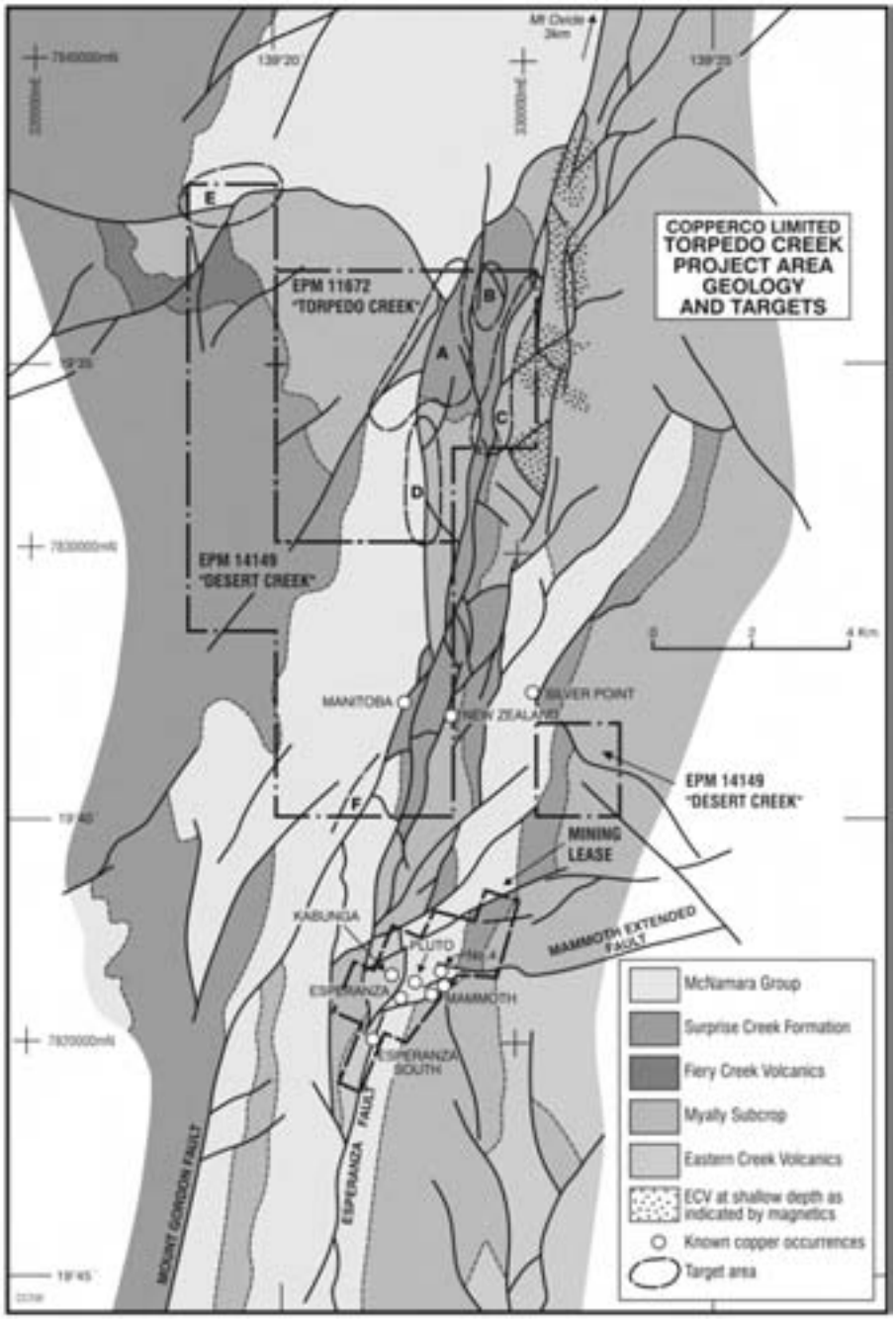


Torpedo Creek

CopperCo's Torpedo Creek project area covers a complex north-trending syncline of Haslingden Group and McNamara Group strata. Here, the Mount Gordon Fault juxtaposes the Gunpowder Creek Formation (Lower McNamara Group) in the west against the Eastern Creek Volcanics in the east. The geology of the northwestern portion of the Torpedo Creek EPM is complicated by an old fault, informally named as the Torpedo Creek Fault, which is truncated by the western branch of the Mount Gordon Fault. The Torpedo Creek Fault juxtaposes Myally Subgroup, to the south, against Lower McNamara Group strata to the north.

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Figure 5.9 Geology of the Torpedo Creek project area



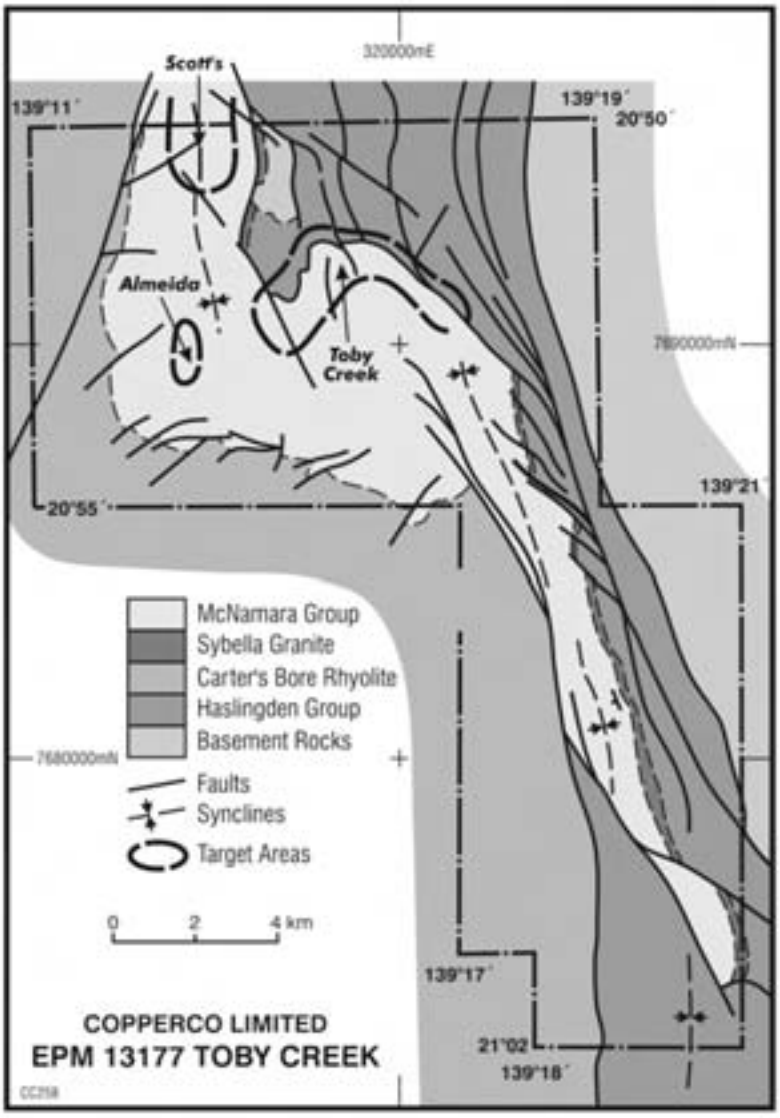
Toby Creek

CopperCo's Toby Creek project area covers a portion of the north-northwest trending May Downs Fault zone, a major structure in the western Mount Isa Block traceable for over 120 km. Over a significant part of its length, the fault zone forms the western boundary of the Sybella granite batholith.

The Toby Creek tenement covers a structurally complex setting compounded by a lack of outcrop over much of the tenement area. The tightly folded belt of Lower McNamara Group strata is flanked to the east by the Carter's Bore rhyolite and Haslingden Group of the Eastern Creek volcanics and Myally Subgroup, which has been intruded by the Sybella granite (Figure 5.10). To the west the Toby granite intrudes the Yaringa metamorphics. A series of parallel north-northwest trending fault segments across the McNamara Group are expressed as siliceous mylonite zones. Collectively, these faults have significantly uplifted the eastern side of the fault zone with respect to the western side. Quaternary alluvium and sheet-wash sediments are extensively developed, masking the Proterozoic basement throughout much of the project area.

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Figure 5.10 Geology of the Toby Creek tenement area



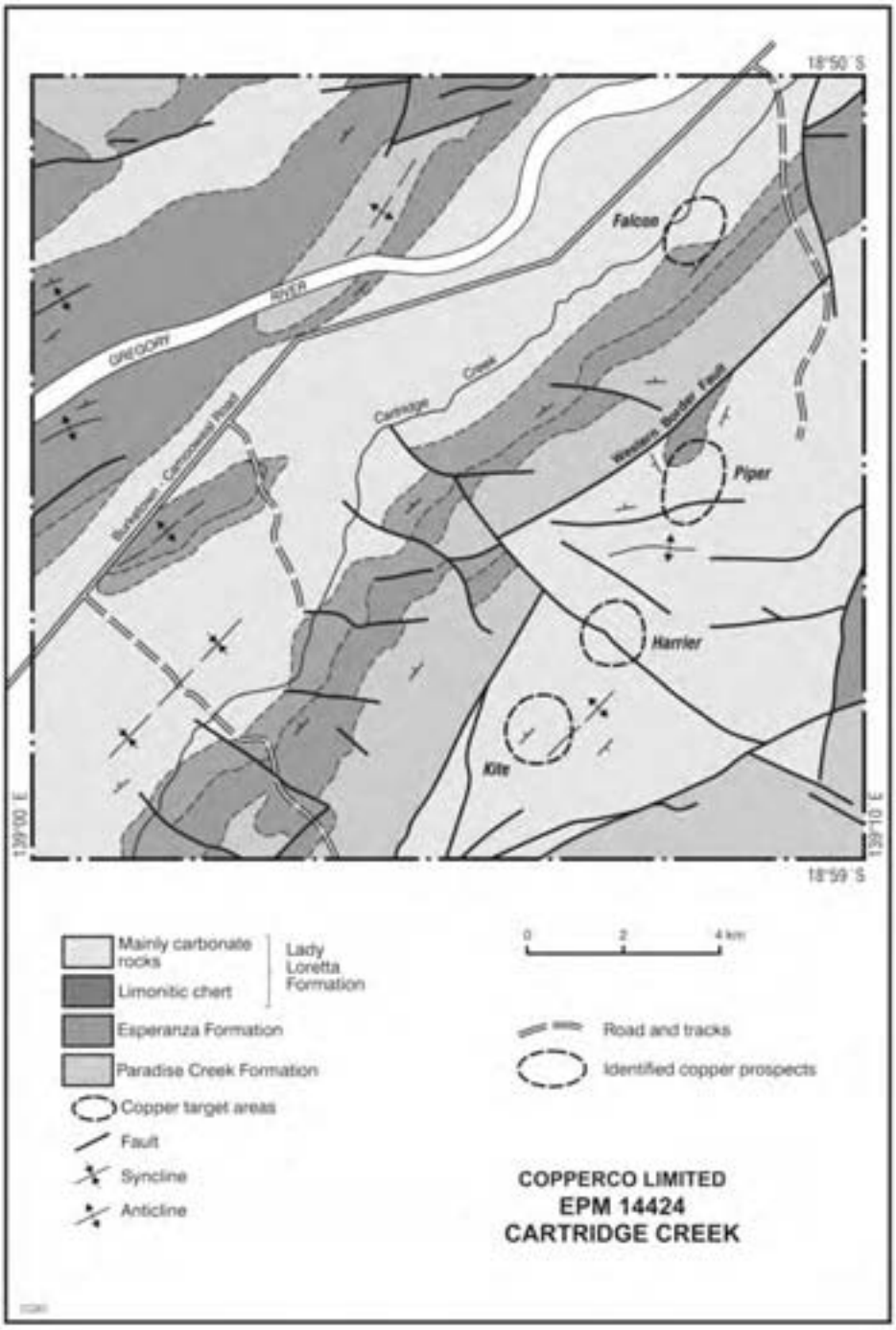
Cartridge Creek

CopperCo's Cartridge Creek project lies within the Lawn Hill Platform and covers sedimentary rocks of the Lower McNamara Group, including the Lady Loretta, Esperanza and Paradise Creek Formations (Figure 5.11). These sedimentary units are folded about northeast-trending axes. In the eastern portion of the project area, the northeast-trending Western Border Fault juxtaposes the Paradise Creek Formation, to the northwest, against the Lady Loretta Formation, to the southeast. The Western Border Fault is a major regional structure that can be traced for over 100 km. Within the project area, a prominent northeast-trending creek largely follows the trace of this fault. Subordinate west and northwest-trending faults cut the rock sequence and offset the Western Border Fault. Alluvial sediments flank the Gregory River in the southeastern portion of the tenement, and Tertiary / Quaternary alluvial and colluvial sediments partially cover the Proterozoic strata along other streams. There are also broad areas of laterite within the project area.

Four prospects have been identified within the Cartridge Creek tenement; the Piper, Harrier, Falcon and Kite prospects. The Piper prospect is hosted in silicified dolomitic sediments of the Lady Loretta and Esperanza Formations. A series of east-trending faults, including the Piper Fault, cross-cut this sequence and may represent splays from the Western Border Fault. Copper mineralisation occurs as chalcopyrite and malachite associated with barite, pyrite and haematite in veins and breccia zones hosted along the Piper Fault. The Harrier prospect is located along a northwest-trending fault which cuts the core of a northeast-plunging anticline comprising silicified siltstone and dolomite interbedded with dolomitic breccia and sandstone. Malachite staining has been reported associated with a subordinate north-trending fault. At the Falcon prospect previous regional soil sampling traverses detected copper and fluorine anomalies adjacent to the silicified Falcon Fault which cuts folded and faulted dolomitic sediments of the Lady Loretta Formation. Two shallow prospecting pits show the presence of malachite along the fault. The Kite prospect is defined by a weak aeromagnetic anomaly in an area of silicified and strongly pyritic sediments of the Lady Loretta Formation related to a west-northwest trending fault.

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Figure 5.11 Geology of the Cartridge Creek project area



Regional Projects - Eastern Area

The Mary Kathleen Zone forms one of the major lithotectonic units of the Mount Isa Inlier and comprises the Tewinga and Mary Kathleen Groups which have been intruded by the Wonga Batholith. The Tewinga Group consists of the Magna Lynn Metabasalt, and felsic volcanic and volcanogenic meta-sedimentary rocks of the Argylla Formation that were deposited during the earlier rift phase. These units unconformably overlie Leichhardt Volcanics and the cogenic Kalkadoon granite. The Mary Kathleen Group comprises the basal Ballara quartzite unconformably overlying the Argylla Formation and Corella Formation meta-carbonates (calc-silicates).

The Wonga batholith is an igneous suite dominated by granitoids with meta-gabbro and meta-dolerite. The batholith was emplaced during a phase of crustal extension producing intense ductile shearing in the lower plate and is separated from the more brittle upper plate by a high strain detachment zone.

Later deformation during the Isan Orogeny (1600 to 1570 Ma) is characterised by north-south oriented folding and structures, and is synchronous with peak regional amphibolite facies metamorphism. Late deformation comprised faulting and associated metasomatism.

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Cameron River

CopperCo's Cameron River project area covers both the Argylla Formation and Ballara Quartzite-Corella Formation which are intruded by granites of the Wonga Batholith. The sequence contains a north-south trending structure marked either by the Ballara quartzite or the contact (thrust surface) with the calc-silicate Corella Formation. This structure, which has subsequently been folded and faulted, is believed to be a major fluid conduit for the mineralising fluids generated by the intrusive granites throughout the Eastern Succession.

Round Mount

CopperCo's Round Mount project covers an area of calc-silicate rocks of the Corella Formation, intruded by the Godkin and Burstall granites of the Wonga Batholith. Granite-related hydrothermal activity has led to the development of hornfels and skarns within the calc-silicate rocks and clinopyroxene endoskarns within and marginal to the granites. Magnetite-actinolite-calcite alteration is associated with chalcopyrite-pyrite mineralisation.

Mount Birnie

CopperCo's Mount Birnie project covers a regional extensional structure within the Wonga granite and calc-silicates of the Corella Formation. The structure extends north from the former Tick Hill gold mine for some 2 km before entering the Mount Birnie tenement area, where it continues for a further 5 km. Potential for copper mineralisation is indicated by the presence of the small Mount Birnie copper workings adjacent to the structure within the EPM.

6. EXPLORATION AND MINING HISTORY

6.1 INTRODUCTION

Since the discovery of copper and gold near Cloncurry in the 1860s, the Mount Isa Block has been a major producer of copper, lead, zinc, silver and phosphate, along with substantial amounts of gold, uranium and cobalt and minor amounts of manganese, cadmium, bismuth, tungsten, beryl and mica.

The zinc-lead-silver deposits at Mount Isa were discovered in 1923 and the high grade copper ore bodies were discovered in the 1960s. Since then Mount Isa has become Australia's foremost copper producer. During the 1980s, an increase in mineral exploration throughout the Mount Isa region resulted in several more significant mineral discoveries. The past 20 years has seen new mine developments in copper (e.g. Mount Isa and Mount Gordon Operations), copper-gold (e.g. Ernest Henry and Osborne) and zinc-lead-silver (e.g. George Fisher, Century and Cannington) deposits.

6.2 PRE-COPPERCO

6.2.1 Lady Annie Project

Numerous companies have carried out exploration over CopperCo's current exploration tenements since the mid 1960s. Initial work was focussed on copper mineralisation following the discovery of the Lady Annie deposit. After the discovery of the Lady Loretta zinc-lead-silver deposit in 1969, the exploration focus shifted to lead-zinc mineralisation. From 1966 to 1968, a number of large phosphate deposits were discovered in the surrounding region to CopperCo's Lady Annie Project.

Lady Annie Area

Lady Annie deposit

The Lady Annie copper deposit was discovered in 1919 and since that time has been explored intermittently by various entities including some limited mining activity. Between 1937 and 1963, approximately 28,000 t of high grade ore was mined of which an estimated 12,000 t was reportedly at an average grade of 12 per cent. Cu. The area was extensively explored during the mid to late 1960s. Drilling of the Lady Annie deposit commenced during the mid 1960s and was followed by further air and diamond drilling in the late 1960s.

The Lady Annie deposit was again assessed between 1984 and 1996 and a number of reverse circulation (RC) and diamond holes were drilled. In 2002, a total of 79 RC drillholes (for 4,333 m) and 10 shallow diamond drillholes (for 518 m) were completed as part of a resource definition programme in support of a pre-feasibility study. Results from the mining study indicated a mine production rate of 880,000 tonnes per annum (tpa) producing approximately 60,000 t of copper over five years would be achievable. In 2004, with results of the feasibility study suggesting a stand alone could be successfully developed at Lady Annie, the Lady Annie Project was sold to CopperCo.

Lady Annie exploration tenements

Exploration activity outside of the Lady Annie copper oxide deposit has mainly been within EPM11185 and ML5568. EPM11185 was granted in 1996 and is located to the west of the Lady Annie copper deposit and overlaps part of the Mining Lease.

Initial exploration work involved reconnaissance mapping and stream sediment, soil and rock chip geochemical sampling. Some minor base metal anomalies were identified, but limited follow-up work was completed. In 1998, a re-interpretation of a 1993 airborne electro-magnetic ("EM") geophysical survey along with Landsat imaging and an air photo interpretation was completed. This led to the identification of several lead-zinc targets. Follow-up rock chip and soil sampling defined one target area, where two RC holes were drilled, with little success.

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Following a review of all previous exploration data a number of copper targets were defined based on favourable structural and geological settings, soil geochemistry results and the presence of surface oxide mineralisation. Of particular interest were three target areas identified within EPM11185 which from north to south were:

- the Climax copper prospect
- the Galah Creek Syncline copper anomaly
- the Qestem airborne electro-magnetic (AEM) anomalies.

The Climax copper prospect occurs in the northern part of EPM11185 and is defined by a soil and stream sediment geochemical copper anomaly within dolomitic siltstones along the trend of the Leopard Fault. There is visible malachite mineralisation on surface. Further sampling in 2003 confirmed and extended the anomaly. The best samples recorded were 152 ppm and 145 ppm Cu. No holes have been drilled into this anomaly.

The Galah Creek Syncline anomaly is a copper and zinc soil anomaly in the central part of the EPM. The 100 m to 200 m wide anomaly extends over 1.2 km based on a 20 ppm Cu envelope. The maximum soil values recorded were 96 ppm and 80 ppm Cu. Rock chip samples taken to the west of the anomaly returned values of 155 ppm, 430 ppm and 360 ppm Cu and 0.16 per cent., 1.23 per cent. and 0.61 per cent. Pb, all with a high associated iron content. A single hole drilled into the anomaly in 2001 failed to encounter any underlying mineralisation. Further soil geochemical sampling comprising 451 samples at 25 m intervals extended the anomaly to the southwest. No further drilling has been carried out over this anomaly.

The Qestem AEM anomalies occur in the south of the EPM and were defined by an airborne magnetic and conductivity survey carried out in 1993. Subsequent soil geochemical sampling over two anomalous areas returned subdued copper values, with a maximum of 84 ppm. A time domain electromagnetic ("TDEM") ground geophysical survey completed in April to May 2003 concluded that one of the targets was a moderately to steep dipping conductor at a depth of 75 to 100 m. This target remains to be drill tested.

Mount Kelly Area

Since the 1960s, the Mount Kelly area has been the subject of several exploration campaigns, mainly directed towards the potential for primary copper and gold mineralisation. Secondary copper mineralisation has been prospected and worked in the area since the 1950s. The largest of the historic workings is the Mount Kelly Workings, from which 2,360 t of copper oxide ore averaging 7 per cent. Cu is reported to have been mined up to 1958 and a further 115 t at an average grade of 3.9 per cent. Cu from 1958 to 1968.

During the 1960s a drainage geochemical survey, prospect mapping and drilling of 75 percussion holes totaling approximately 4,000 m was completed. The drilling results from these drillholes are not available. Between 1969 and 1974, a detailed programme comprising regional drainage sampling, ironstone outcrop sampling, regional airborne magnetic/radiometric geophysical surveys, geological mapping and rock chip geochemical sampling was carried out.

Much of the previous exploration within the Mount Kelly Area has focused on the historic Mount Kelly Workings, Macleod Hill and Dividend prospects. A number of drilling programmes have previously been undertaken and are summarised in Table 6.1.

Prospect locations in the Mount Kelly area are illustrated in Figure 5.3.

Other exploration programmes included:

- Between 1992 and 1996, aeromagnetic and radiometric surveys, regional stream sediment and soil geochemical surveys, detailed geological mapping and induced polarisation ("IP") geophysical surveys were carried out over the Mount Kelly Workings and Macleod prospects along with rotary air blast ("RAB") drilling traverses at the Mount Kelly Workings, Macleod Hill and Swagman prospects
- A MIM Distributed Acquisition System (MIMDAS) geophysical survey was completed in mid 2003 and detected a chargeability anomaly on three adjacent lines to the northwest of the Mount Clarke copper oxide deposit. Two RC/diamond holes drilled into this anomaly in 2004 intersected narrow zones of anomalous to low-grade primary copper mineralisation
- Between 1992 and 1996, an airborne magnetic survey and regional soil geochemical surveys along 1.5 km spaced lines were carried out in the Redie Creek area. Several lead-zinc anomalies were detected and infill soil geochemical sampling at Barr Creek outlined three copper-in-soil anomalies of 150 to 800 ppm, named the Patterson, Daley and Lawson targets. Subsequent drill testing of these targets failed to intersect significant copper mineralisation
- In 1968, a self potential ("SP") geophysical anomaly was identified concealed under alluvial cover at the Big Bend prospect and was tested by a single drillhole which intersected 13 m at 3.8 per cent. Cu from a depth of 3 m associated with a malachite stained gossan.

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Table 6.1 Significant drilling programmes completed within the Mount Kelly Area

Prospect	Drilling type	Number of holes	Total metres	Results
Mount Gordon Fault (1969 to 1974)	Diamond	5	1,105	Narrow zones of anomalous to low grade copper mineralisation were intersected close to the fault plane
Mount Kelly–Spinifex Queen (1970s)	Percussion Diamond	16 30	958 9,030	Outlined a sub-horizontal blanket of oxide and supergene copper mineralisation at Mount Clarke ranging from 3 to 14 m in thickness, at depths of between 18 and 40 m.
Dividend (1970s)	Diamond	1	844	Intersected minor chalcopyrite mineralisation
Canyon (1978)	Diamond	1	299	
Investigator Fault (1980 to 1982)	Diamond Percussion	4 14	2,661 1,974	Minor chalcopyrite was reported in quartz-carbonate veinlets and disseminated in siltstone
Patterson (1992 to 1996)	RC	1		Intersected dolomitic siltstones with only traces of chalcopyrite below 265 m depth
Mount Kelly (1993)	RC	6	400	Intersected secondary oxide and supergene copper mineralisation
Macleod Hill and Dividend (1993)	RC	4		Intersected anomalous to low grade copper associated with secondary copper mineralisation
Mount Kelly (1994)	Diamond RC	15 21	2,456 3,238	Indicated potential for fault controlled sulphide copper mineralisation
McLeod Hill (1994)	RC	7		Encountered wide zones of low to moderate grade copper associated with secondary and supergene mineralisation
Mount Kelly (1995)	RC Diamond	2 2	375 1,100	Intersected deep pyrite and chalcopyrite mineralisation with minor associated gold mineralisation
Mount Kelly Workings (1998-1999) Mount Kelly Workings (2000)	Diamond Diamond	18 9		Resulted in resource estimate being prepared
Flying Horse (2003)	RC	8		Intersected copper oxide mineralisation
Mount Clarke (2003)	RC RC	4 26	1,149	Identified the presence of a shallow copper oxide deposit, of up to 45 m in thickness extending over a strike length of approximately 400 m, related to the northwest-trending Mount Clarke Fault
Mount Clarke (2004)	RC	20	1,471	Indicated potential for further copper oxide mineralisation along a possible second northwest-trending mineralised fault to the east of the deposit

Lady Maggie mine

The Lady Maggie (or Boomerang) mine, located in the southeastern corner of EPM14384, has been privately held for many years. The mine workings consist of a small open cut and a shaft, 50 to 60 m deep. A number of small pits extend for 200 m along the host fault zone. All drill core has been removed from the site and is not available for examination. There are reports from the Queensland Department of Natural Resources, Mines and Energy of assay results up to 2.53 per cent. Cu at shallow depths and erratic gold values of up to 0.42 g/t from a limited number of samples. There is a lack of reliable data on the previous drilling and sampling.

Buckley River Area

Regional geological mapping and drainage geochemical surveys covering the Buckley River project area were carried out during the late 1960s and early 1970s. Defined anomalies were followed-up by extensive rock chip and soil geochemical surveys which identified the copper-anomalous ferruginous outcrops at the Anthill and Johnson Creek prospects.

In the early 1990s, an extensive geochemical assessment was completed including drainage, RAB drilling, soil and outcrop surveys. This was followed up by geological mapping and geophysical surveys including airborne and ground magnetic, EM, gravity and controlled source audio-frequency magneto tellurics (“CSAMT”) geophysical surveys. This work identified the several geochemical anomalies (Figure 6.1) and a follow-up RC drilling programme identified a zone of copper oxide mineralisation at the Anthill prospect. Subsequent exploration work for primary copper mineralisation was successful in identifying a fault-related copper system associated with the Kennedy Fault and related structures.

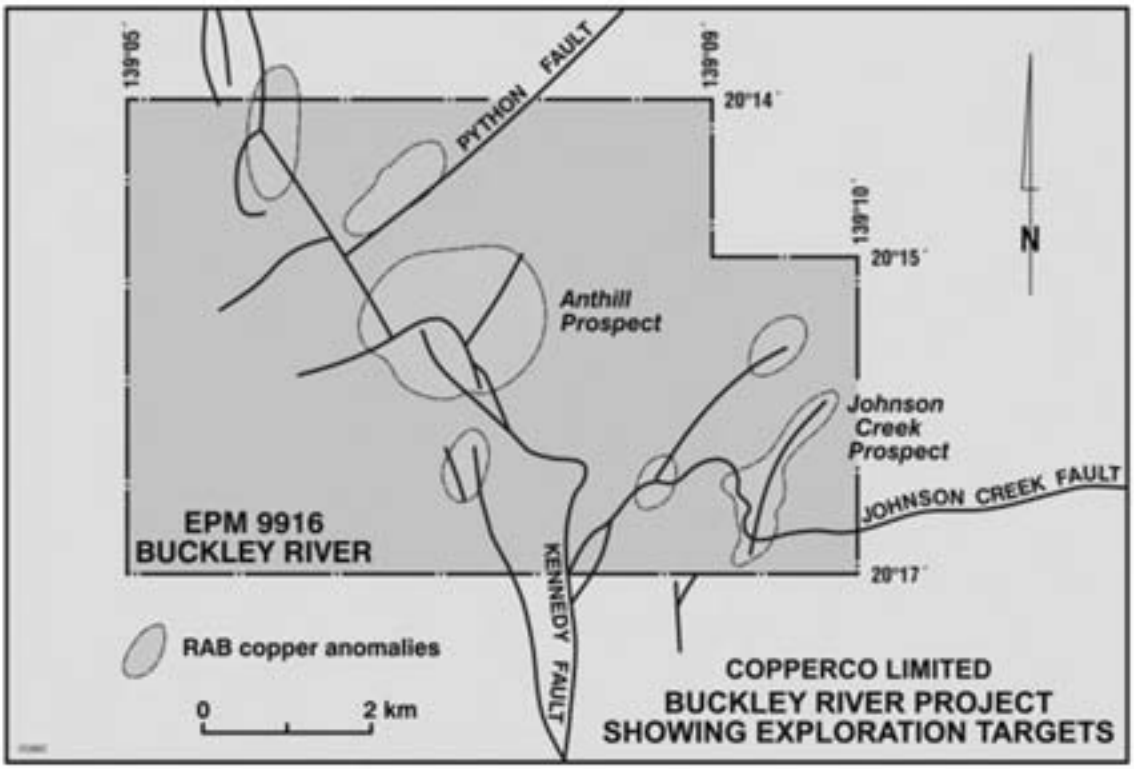
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The Johnson Creek prospect (Figure 6.1) was identified in the 1970s from geochemical sampling. The extensive RAB and geochemical surveys undertaken during the 1990s, defined an apparently fault controlled, significant copper anomaly. Follow-up work included ground geophysical surveys and six RC drillholes. The drillholes intersected low grade primary copper mineralisation in altered dolomitic siltstones.

A number of RC holes drilled into the Anthill prospect (Figure 6.1) during the 1990s indicated the presence of significant copper oxide mineralisation over a substantial area to the immediate north of the Camp Fault. The copper oxide mineralisation reportedly occurs as an 8 to 30 m thick zone at a depth of approximately 40 to 50 m. This occurrence was estimated to contain a small, low grade copper resource.

Between 1998 and 2000, a programme of ferruginous outcrop sampling was undertaken over the area which confirmed the anomalous nature of the rocks. In addition a review of the previous exploration data was conducted and four targets (magnetic anomalies and structural intersections in favourable host rocks) were also defined.

Figure 6.1 Buckley River Area – prospect locations and RAB anomalies



6.2.2 Regional Projects

Western Area

Toby Creek

During the early 1980s, the Toby Creek area was investigated by geological mapping, outcrop and soil geochemistry, a ground magnetic survey, gravity traverses and limited bedrock (RAB) geochemistry. A strong copper anomaly of up to 1,000 ppm Cu was outlined from outcrop sampling at the Toby Creek prospect associated with haematitic rocks. The soil geochemistry showed a much more subdued response, with concentrations of 50 to 150 ppm Cu associated with the haematitic outcrops. RAB bedrock geochemistry to a depth of 9 m returned no significant results.

The copper anomalous siltstones and haematitic and ferruginous outcrops at the Toby Creek prospect were tested with three percussion holes and two diamond drillholes. The drillholes intersected haematitic siltstones, sandstones and haematitic quartzites with elevated copper concentrations. Most of these holes were shallow and did not take into account that the rocks in the region are weathered to 50 m in most places and sometimes up to 80 m.

Torpedo Creek

Despite its location to the south of, and along strike from the Mount Oxide copper deposit, the Torpedo Creek area has been subject to little previous exploration. Work completed has mainly involved aerial photograph interpretations, airborne geophysical surveys and drainage geochemistry. There are no reports of any drilling.

A 1995 stream sediment survey delineated a potentially significant copper-zinc anomaly extending over 4 km covering a north-tapering wedge of Lower McNamara Group rocks and extending eastwards into the up-faulted Surprise Creek Formation east of a western fault branch of the Mount Gordon Fault. Two anomalies were identified which require further assessment.

The northern portion of the Desert Creek EPM contains a 1 km portion of the Torpedo Creek Fault. Between 1974 and 1975, rock chip sampling over the Paradise Creek and Gunpowder Creek Formations north of the Torpedo Creek Fault recorded seven anomalous samples (>200 ppm Cu). There was no follow-up work completed.

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Valparaisa

There has been very limited previous exploration documented from within the Valparaisa project area. During the mid-1970s, regional geological mapping and soil geochemistry surveys followed by limited percussion drilling of targets was carried out in a search for stratabound copper deposits. This work led to the identification of two regionally extensive copper-bearing beds within what was then interpreted as the Gunpowder Creek Formation in the lower part of the McNamara Group (now interpreted as the Surprise Creek Formation). Based on intermittent areas of copper oxide staining and soil geochemical anomalies, 15 targets were outlined along the copper-bearing beds.

Percussion drilling to a maximum depth of 60 m intersected up to 20 m of anomalous copper mineralisation. There has been no follow-up exploration completed within the project area.

Cartridge Creek

CopperCo's Cartridge Creek project area has previously been explored by a number of companies from the 1960s onwards. This exploration was mainly of a regional nature and included mapping, soil and sediment geochemical sampling, airborne and ground geophysical surveys and percussion and diamond drilling.

Exploration work during the 1990s targeted epigenetic fault-controlled copper mineralisation. Regional soil geochemical traverses along 1 km spaced lines identified nine targets which were followed up by more detailed soil and outcrop geochemistry, geological and regolith mapping and IP geophysical surveys. A total of 22 RC and diamond holes (for 2,833 m) were drilled at four prospects with most of this work concentrated on the Piper prospect, where nine RC holes were drilled. These drillholes intersected primary chalcopyrite mineralisation and minor malachite within the weathered zone.

Battle Creek

Previous exploration of EPM 15126 has consisted of minor geochemical surface sampling and sporadic drilling. The majority of companies have previously focused on exploring for potential diamond deposits, and have largely ignored the base metal prospectivity.

Eastern Area

Cameron River

Previous exploration within the project area was carried out by several companies. Most of the previous exploration work was concentrated on the Black Rock (Pinnacle) copper-gold prospect located in the northern part of the tenement. Surface copper oxide mineralisation is visible in outcrops, old workings and costeans cut across a 700 m long zone of 5 to 25 m in width. Exploration work completed at the Black Rock prospect included detailed mapping at 1:1,000 scale, rock chip sampling and drilling. The copper-gold mineralisation within the Ballara Quartzite was tested by a three hole diamond drilling programme totalling 865 m over a strike length of 340 m. Stream sediment sampling defined several anomalies related to old workings developed on small shear-hosted copper deposits within the tenement.

Round Mount

The majority of previous exploration work carried out within the Round Mount tenement area was between 1992 and 1995. Work completed included regional stream and rock geochemical sampling, geological mapping, ground magnetics surveys, soil sampling, fixed-loop and down-hole Transient Electro-Magnetics (TEM) surveying and the drilling of four RC holes.

The regional geochemical surveys identified a number of copper and gold anomalies all related to small-scale, narrow zones of mineralisation. TEM surveying led to the recognition of a number of conductors, two of which were drill-tested. Three holes drilled into the eastern conductor intersected extensive magnetite-bearing alteration with associated pyrite and low-grade chalcopyrite mineralisation.

Mount Birnie

Previous exploration completed in the Mount Birnie tenement area was aimed at finding repetitions of the Tick Hill gold mineralisation. First-pass exploration targeted magnetic anomalies with soil sampling and RAB and RC drilling. Subsequent exploration involved airborne magnetic and radiometric surveys, regional stream sediment surveys and prospecting along the Tick Hill structure and associated ironstone outcrops. The prospects generated were investigated by a variety of techniques including ground magnetic, induced polarisation ("IP") and TDEM geophysical surveys, soil and rock geochemical surveys, trenching, and RAB, percussion and RC drilling.

6.3 COPPERCO EXPLORATION

6.3.1 Introduction

CopperCo acquired the Lady Annie Project tenements in late 2004. The initial focus was to complete a Feasibility Study and undertake infill and resource definition drilling at the Lady Annie and Mount Kelly Areas. The Feasibility Study was completed in April 2006. In parallel with the Feasibility Study resource development drilling was undertaken at Mount Clarke.

Following the completion of the Feasibility Study, CopperCo's objective was to expand the defined resource base to support an early upgrade of copper production capacity. Exploration and development programmes were undertaken in 2006/2007. During 2007 and 2008 drilling programmes have been targeted to evaluate the transitional chalcocite mineralisation below the defined Lady Annie copper oxide mineralisation and to investigate the potential for nearby oxide copper in and around the existing deposits.

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6.3.2 Lady Annie Area

Previous exploration activity within the Lady Annie Project tenements was confined to EPM 11185, located to the west of the Lady Annie copper deposit, and within ML5568. Geological mapping was undertaken by CopperCo over the Lady Annie tenements during late 2004.

A number of copper exploration targets have been identified by CopperCo based on a review of previous exploration data, favourable structural and geological settings, the results from soil geochemical and geophysical surveys and the presence of surface oxide copper mineralisation. Three copper target areas have been identified within EPM 11185 that will be followed-up.

A drilling programme was undertaken during 2006 and 2007 to test 10 prospects in close vicinity to Lady Annie resource. This programme consisted of 68 RC drillholes for 5,768 m and tested areas marginal to existing Lady Annie resource, prospects in close vicinity to the Lady Annie resource where encouraging historic drill results are recorded, and areas of anomalous copper in soil geochemistry. Significant results were obtained from the Lady Treska, LA7, Lady Annie East, Denmead, Lady Brenda, Lady Annie East and Brenda South prospects and a Mineral Resource was estimated for the Lady Brenda prospect.

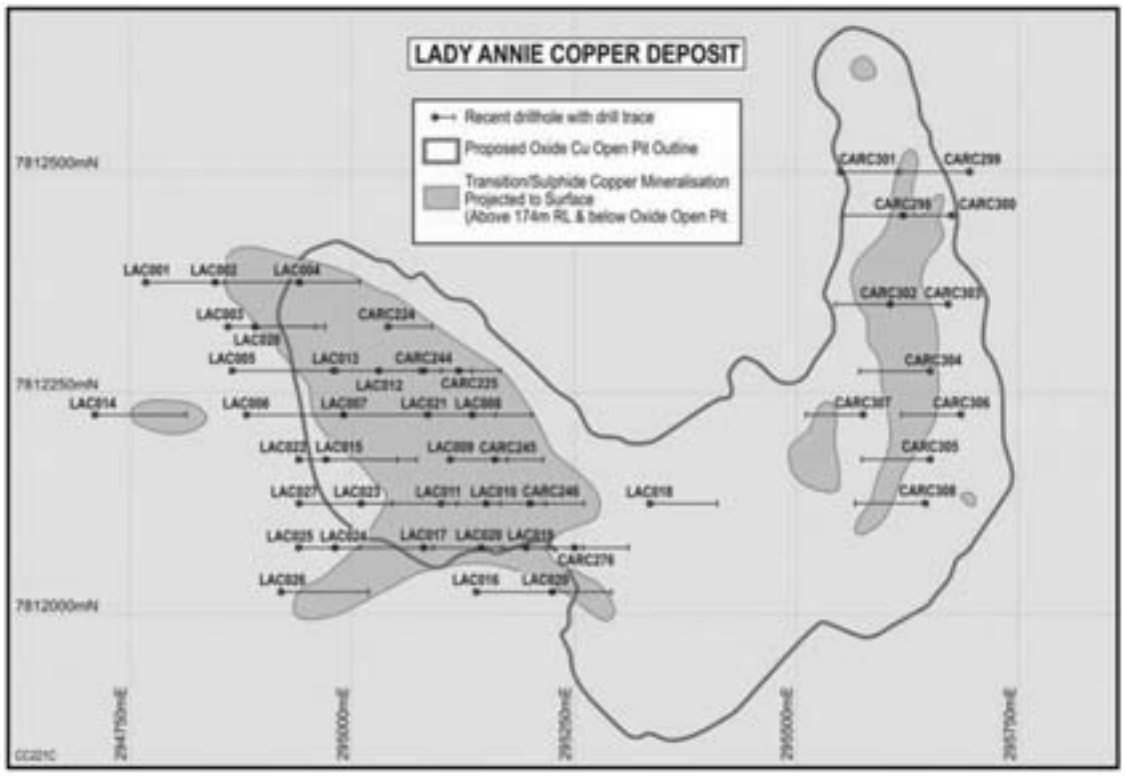
Lady Annie deposit

Between October 2004 and March 2005, CopperCo drilled 188 holes at the Lady Annie deposit, a third of which were around the rim of the defined resource, targeting extensions north and south of the westernmost arm. This programme included 149 RC drillholes (for 9,300 m) and 39 diamond drillholes (for 2450 m) of which 19 diamond holes (for 1,046 m) were drilled to obtain metallurgical samples. A revised Mineral Resource estimate was undertaken in May 2005.

During 2005 CopperCo drilled a diamond hole into the chalcocite zone and signification mineralisation was intersected. All historic data relating to chalcocite zone was compiled and drillhole material from intervals not assayed by previous explorers was analysed and used for metallurgical testwork. Results from initial metallurgical testwork on this material were favourable. During 2006, CopperCo undertook drilling to evaluate the chalcocite zone with 27 RC (for 2,136 m) and three RC holes for diamond drillhole pre-collars (for 571 m). This tested the chalcocite zone primarily in the central portion of the western limb and on westerly down-plunge extensions of Lady Annie deposit.

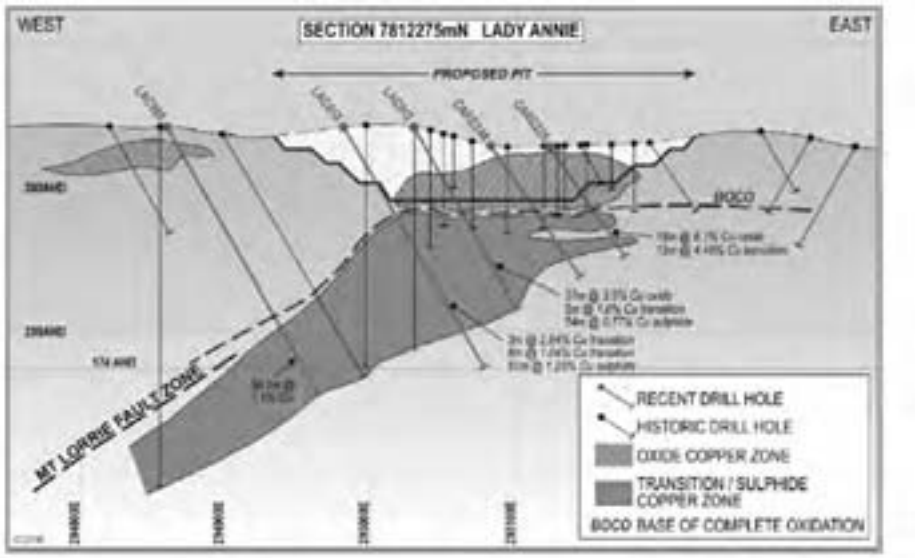
During 2007 CopperCo undertook resource definition drilling within the chalcocite zone. A total of 28 RC holes (for 3,052 m) and 10 diamond core tailed drillholes (for 1,049 m) were completed on 50 m spaced sections within the western and eastern chalcocite zones. A plan of the recent drilling undertaken at Lady Annie to investigate the chalcocite zone is included in Figure 6.2 and a cross section through the deposit is included in Figure 6.3.

Figure 6.2 Lady Annie deposit – recent drillhole location plan



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Figure 6.3 Cross section through the Lady Annie deposit



6.3.3 Mount Kelly Area

The majority of CopperCo's work within the Mount Kelly Area since acquiring the project in 2004 has been focussed on resource definition at the Mount Clarke, Flying Horse and Mt Kelly Workings prospects.

During 2004, CopperCo completed a RC drilling programme at the Mount Clarke, Flying Horse and Mount Kelly Workings prospects. At Mount Clarke, a total of 39 RC drillholes (for 2,993 m) were completed to test the oxide copper mineralisation. In addition, metallurgical samples were obtained from 304 m of diamond core from four drillholes. At Flying Horse, a total of seven RC holes were completed for 482 m and a total of 8 RC drillholes (for 571 m) were drilled at the historic Mount Kelly Workings to test for shallow oxide copper along the Spinifex Fault.

Encouraging results were returned from all three of areas resulting in the extension of this drilling programme. By 2005, a total of 146 RC drillholes (for 10,219 m) and 15 diamond drillholes (for 895 m) had been completed. The majority of these were drilled at the Mount Clarke and Flying Horse prospects. At Flying Horse, the mineralised zone was extended for at least 200 m to the northwest (Figure 6.4). Exploratory RC drilling defined two new zones of mineralisation along the Mount Kelly Fault Zone (located between Mount Clarke and Flying Horse) where 10 RC holes (for 696 m) were drilled and at the Swagman prospect where 25 RC holes (for 1,482 m) were drilled.

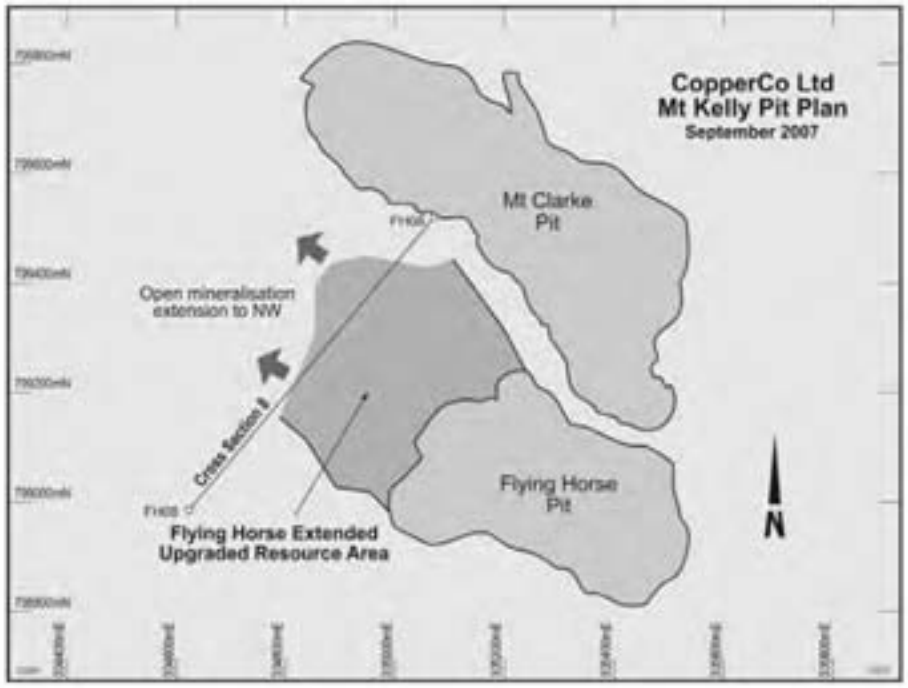
During 2006, a total of 77 RC holes (for 5,211 m) were completed in the Mt Kelly Area. The majority of this comprised resource definition and infill drilling at Flying Horse Extended on a 20 m by 20 m spacing and drilling to delineate extensions to the mineralisation at Mount Clarke.

A soil geochemical anomaly measuring 1 km by 250 m was defined at the Dividend prospect, located 3 km east of the Mount Kelly Workings. This target was tested by eight RC (for 582 m) in late 2006 and returned encouraging results outlining three distinct mineralised zones.

During 2007, a short RC drilling programme was undertaken at the Lady Maggie prospect, located 15 km south of Mount Kelly. The results of this programme suggest that the mineralisation extends to the east and southeast of the existing workings.

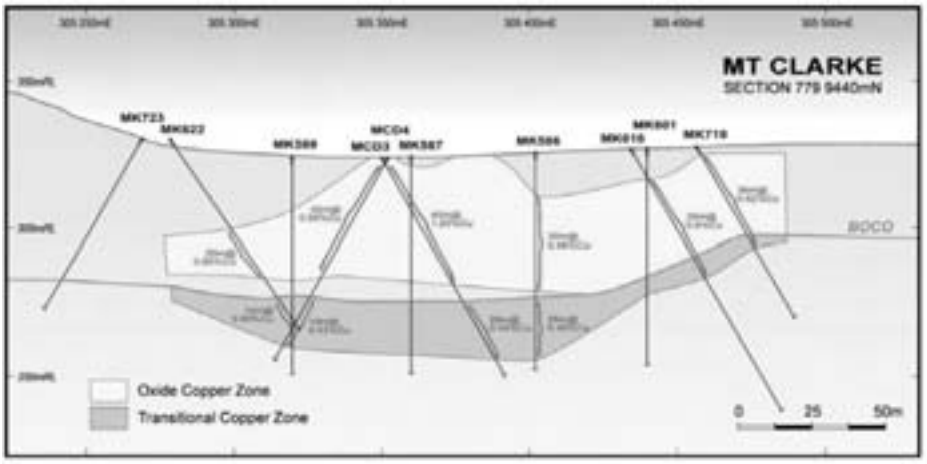
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Figure 6.4 Mount Kelly pit – Flying Horse and Mount Clarke



Furthermore, seven RC holes (for 720 m) were drilled at Mount Clarke in 2007 to evaluate the transitional copper mineralisation. Based on the results of this drilling an extensive transitional zone was interpreted to underlie the oxide copper mineralisation as illustrated in the cross-section in Figure 6.5. A further 14 RC holes (for 1,120 m) were drilled at the Flying Horse Extended prospect to improve confidence in the defined resource and to test the margins of the defined mineralisation. A Sub Audio Magnetcs ("SAM") survey was conducted over the Mount Clarke and Flying Horse Extended deposits which highlighted dominant structural trends that will be used to target future exploration. Mineral Resource estimates were generated for the Mount Clarke, Flying Horse, Mount Kelly Workings and Swagman deposits in late 2007. These are discussed in Section 8.

Figure 6.5 Cross section through Mount Clarke deposit



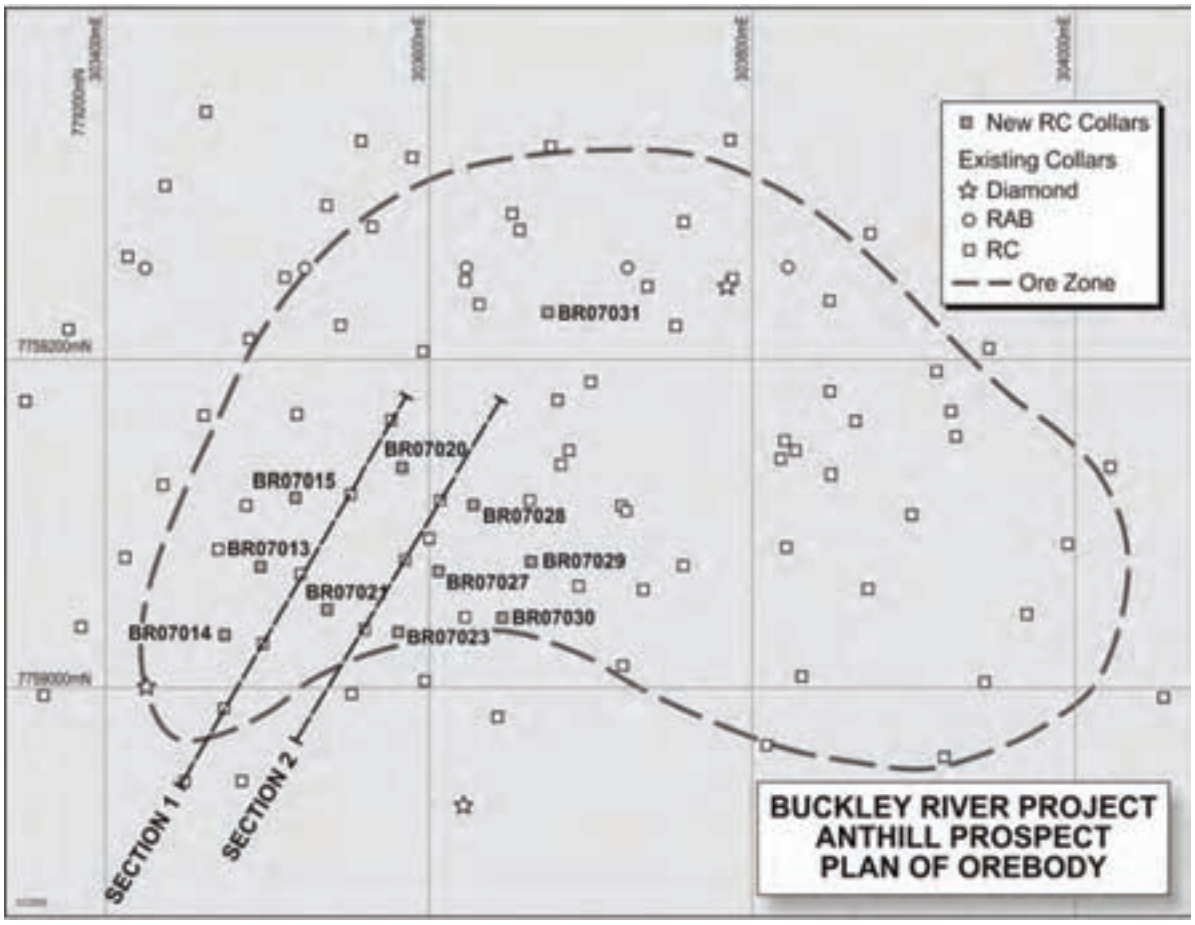
6.3.4 Buckley River Area

The majority of CopperCo's recent activities in the Buckley River Area has been focussed on resource definition drilling at the Anthill prospect.

In 2004, CopperCo undertook detailed mapping and soil sampling over a zone of ferruginous breccia with anomalous copper and gold values. At Anthill, a geochemical anomaly of over 750 m by 300 m was defined was and subsequently tested with RC drilling during 2005 and 2006. A total of 48 RC holes were drilled for 4,829 m. The drillhole locations and an outline of the defined mineralisation are illustrated in Figure 6.6. Resource estimation of the Anthill prospect was undertaken late 2007 as discussed in Section 8.

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Figure 6.6 Anthill deposit – orebody and drillhole location plan



6.3.5 Regional Projects

Exploration of the regional areas by CopperCo during 2006 and 2007 has been mainly limited to rock chip sampling and regional soil geochemistry. Soil sampling was completed across a prospective area along the Mt Gordon Fault Zone within the Eastern Creek and Gun Creek tenement areas and within the Redie Creek tenement.

At Cameron River, rock chip sampling during 2007 outlined two adjacent anomalous copper-gold-uranium zones which are interpreted to be structurally controlled. Limited RC drilling was completed at Black Rock West prospect targeting the westernmost of two parallel mineralised zones which extend over a strike length of 400 m or more. At the Wild Geko prospect (5 km north of Mount Kelly) an exploratory RC programme was undertaken to test an area of anomalous surface geochemistry. Weak visible malachite was observed in the drill cuttings.

In addition, Xstrata completed a single diamond drillhole for 350 m at the Toby Creek project to test an IP chargeability anomaly however results were below expectations.

Helicopter reconnaissance work at the Valspaisa and Cartridge Creek projects was undertaken during 2007 to review a number of historically identified prospects.

CopperCo has undertaken compilation of historical data, geological mapping and soil geochemical sampling within the Battle Creek tenement area. The soil sampling programme covered the southern portion of the tenement, linking with, and extending historic soil traverses. A total of 558 samples were collected on east-west oriented traverses at 50 m spacing and results identified a zone with anomalous levels of zinc, lead, copper, silver and manganese.

7. DEVELOPMENT STRATEGY

7.1 PROJECT DEVELOPMENT

All mining in the current life-of mine ("LOM") plan is carried out with open pit mining techniques using conventional drill and blast and truck and shovel operations. Mining commenced in April 2007 at Mount Clarke in the Mount Kelly Area and the pre-stripping of Lady Annie is scheduled to commence in August 2008. The first ore from Lady Annie is due for production in September 2008. Mining is currently at a rate of 2 million tonnes per annum ("Mtpa"), increasing to 3.5 Mtpa in 2008/09 to provide the ore feed for 30,000 tpa copper cathode production. As the grade drops off in the later years of the LOM plan, the mining rate will lift to 4 Mtpa to maintain cathode production.

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The Lady Annie processing facility has been designed to treat predominantly malachite ore to produce 19,000 tpa of LME Grade A cathode copper. CopperCo has proposed an expansion to the plant and facilities in order to produce 30,000 tpa of LME Grade A copper. Detail design for Stage 2 of the plant expansion commenced in the third quarter 2007 and construction commenced in early January 2008. Key target completion dates are:

- early August for the expanded processing plant
- end of September, 2008 for the leach pad earthworks and the Lady Annie haul road
- the detail design for the Stage 3 Expansion will be complete following completion of Stage 2 design during the 1st quarter 2008
- procurement and construction planning for Stage 3 (30,000 ktpa sustaining capital) will commence in January 2009
- construction of Stage 3 is scheduled to commence in early April 2009
- completion of Stage 3 is scheduled for the end of September 2009
- stacking of Leach Pad 16 to commence in early November 2009.

The Lady Annie haul road was not constructed during the initial project phase. As part of the expansion project, the existing road between Lady Annie and the Run of Mine ("ROM") pad at Mount Kelly will be upgraded for haul road use with some modification in vertical and horizontal alignment. Upgrades to creek crossings will also be done along the haul road.

The current Power Purchase Agreement with Xstrata provides for a power demand to be increased up to 12 MW for the second year of operation onwards.

CopperCo has been granted a Water Licence to extract 1,323 megalitres ("Ml") per annum (or 42 litres per second ("L/s")) from Greenstone Creek Dam (Lake Waggaboonya). The mine is currently supplied by a 50 km raw water pipeline capable of pumping 42 L/s that was constructed during the initial 19,000 tpa project phase.

For the proposed 30,000 tpa scenario, CopperCo will use a 200 Ml covered dam to sustain the processing system during typical climatic conditions but there could be a potential 200 Ml shortfall during extreme dry climatic conditions. Continuous monitoring of the lake and climate conditions together with regular review and updating of the integrated water balance model will allow Lady Annie Operations to assess and predict a potential supply shortfall and to undertake contingency measures to counteract the shortfall. Proposed contingency measures include:

- augmenting supply from known groundwater sources in the area
- augmenting supply from Aditya Birla Minerals Limited's ("Birla") Mount Gordon approved license capacity
- reducing the production rate to a level above 25,000 tpa but below 30,000 tpa to smooth out the operation until the next wet season.

7.2 NEAR MINE OXIDE EXPLORATION

Underpinning the organic growth path for the development of the Lady Annie Project is CopperCo's exploration strategy which is designed to discover additional oxide resources to be used as feed for the existing processing facility at Mount Kelly.

CopperCo's initial strategy is to focus on near mine oxide copper targets in order discover and delineate a further 80,000 t to 100,000 t of contained oxide copper over the next 18 months to support a 30,000 tpa copper cathode output for a mine life of 8 to 10 years.

7.3 COPPER SULPHIDE

Definition of copper sulphide targets has been an on going focus since 2007. The objective is to define sufficient sulphide resources to support a 20,000 tpa copper in concentrate operation. Based on a 70 per cent. resource to reserve conversion, approximately 25 Mt at 1.5 per cent. Cu is to be defined through ongoing deep exploration drilling.

The style of copper mineralisation that occurs within the western succession allows for shallow oxide and shallow sulphide resources. The main benefit is that the sulphides are located at a depth of between 100 to 300 m below surface and as a result, potential sulphide resources are readily amenable to open cut extraction techniques once the defined oxide deposits are mined out.

To date copper sulphide ore has been defined at Lady Annie below the oxide resource. A drilling programme is in progress at Flying Horse, testing the potential for additional sulphide mineralisation. At this stage, the results indicate a potential to establish a sulphide resource of mineable quantity. It is estimated by CopperCo that further drilling will resolve this by mid 2008.

In addition CopperCo considers that there is good sulphide potential under the Mount Clarke and Anthill deposits where previous, deeper oxide definition drilling has encountered sulphide mineralisation.

8. MINERAL RESOURCES AND ORE RESERVES

8.1 MINERAL RESOURCES

At CopperCo's request CSA Australia completed resource estimates for the Lady Annie, Mount Clarke, Flying Horse and Anthill deposits throughout 2007. The results of this work have been compiled by Simon Pooley (General Manager – Exploration and Business Development) in a CopperCo report titled "Geology and Mineral Resources February 2008" ("CopperCo Resource report, 2008"). CSA Australia's principal, Malcolm Titley was the competent person for the preparation and compilation of the resource

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estimate. Malcolm Titley is a member of the AusIMM and AIG and has stated that he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 JORC Code.

CSA Australia's estimates for the Lady Annie, Mount Clarke, Flying Horse and Anthill are summarised in Table 8.1.

Table 8.1 Resource summary table (provided by CopperCo)

	Measured		Indicated		Inferred		Total Resource		Cu
Deposit	Tonnes	Cu%	Tonnes	Cu%	Tonnes	Cu%	Tonnes	Cu%	Tonnes
Oxide Resources									
Lady Annie	6,994,000	1.2	2,407,000	0.9	1,710,000	0.8	11,111,000	1.1	120,900
Lady Brenda	0	0.0	0	0.0	1,126,000	0.5	1,126,000	0.5	5,400
Mount Clarke	2,501,000	0.9	3,688,000	0.7	154,000	0.6	6,343,000	0.8	51,100
Flying Horse	1,198,000	0.7	3,044,000	0.6	885,000	0.7	5,127,000	0.6	33,100
Mount Kelly Workings	0	0.0	129,000	0.7	83,000	0.6	212,000	0.7	1,400
Swagman	128,000	0.6	170,000	0.6	61,000	0.5	359,000	0.6	2,100
Anthill	0	0.0	1,055,000	1.0	1,910,000	1.2	2,965,000	1.1	33,300
Sub-Total	10,821,000	1.1	10,493,000	0.7	5,929,000	0.8	27,243,000	0.9	247,300
Sulphide Resources									
Lady Annie	4,905,000	0.8	2,483,000	0.9	1,556,000	0.8	8,944,000	0.9	77,700
Lady Brenda	0	0.0	0	0.0	763,000	0.7	763,000	0.7	5,100
Flying Horse	220,000	0.5	638,000	1.1	1,217,000	0.9	2,075,000	0.9	18,700
Anthill	0	0.0	0	0.0	935,000	1.1	935,000	1.1	9,900
Sub-Total	5,125,000	0.8	3,121,000	0.9	4,471,000	0.9	12,717,000	0.9	111,400
Global Total	**15,946,000**	**1.0**	**13,614,000**	**0.8**	**10,400,000**	**0.9**	**39,960,000**	**0.9**	**358,700**

8.1.1 Drilling and sampling

Drillhole sections are spaced generally at 25 m along strike, while a 20 m to 40 m spacing across strike is commonly present (Table 8.2).

Diamond core has generally been sampled as half core from HQ and NQ size core.

Table 8.2 Drillhole spacing per prospect

Deposit	Nominal Northing Grid	Nominal Easting Grid
Lady Annie	20 to 25m towards 000	20 to 40m towards 090
Mount Clarke	20m towards 000	20 to 40m towards 090
Flying Horse	20 to 25m towards 315	20 to 25m towards 045
Anthill	20 to 25m towards 300	30 to 50m towards 030

All drillhole collars have been accurately surveyed using differential GPS. Downhole surveys have also been taken every 30 to 40 m downhole for all CopperCo drillholes. CopperCo has outsourced all drillhole data management. All assay files from the laboratory are sent for independent review and interrogation.

8.1.2 Quality Control and Quality Assurance

Snowden's review of the Quality Control and Quality Assurance ("QA/QC") reports for the Flying Horse, Lady Annie, Mount Clarke and Buckley River data indicates that in general the majority of samples have been assayed to a high standard. The majority of standards have performed well and no obvious errors in assaying have occurred. There are indications however that minor errors in instrument setup may have occurred and that certain standards (BMH/2, BMH-4, SQ-1 and SQ-2) have performed poorly. Further investigation is warranted in these areas and re-assay of the small number of affected samples may be warranted.

A review of QA/QC reports indicates that a series of field duplicates and field re-splits have been taken as part of the CopperCo drilling programme. A review of the results of the field duplicates for the Lady Annie deposit indicates that 34 per cent. of the data exhibits a greater than 10 per cent. variation in grade. The greatest grade variation as expected is associated with low grade (<0.3 per cent. Cu) samples. Snowden considers this variation is in part a function of the poor precision and reproducibility present at these lower grades. No significant error during sample preparation is obvious from the results supplied.

In addition to the insertion of standards and duplicate samples, CopperCo has undertaken assay checks on pulps to ensure that the precision of assay is adequate. A review of the original assay values against the repeat value indicates that the laboratories assaying procedures were of high precision.

8.1.3 Geological logging and interpretation

CopperCo geologists have developed a standard logging code and standardised 'Excel' logging sheet to ensure that a standardised logging system is used for the logging of all CopperCo drillholes. Key criteria such as rock type, extent of oxidation, faulting and mineralisation are all noted in the logging process. All drill core is photographed during the drillhole logging process.

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Geological Interpretation is completed on 25 m or 50 m spaced sections taking into account logging, mapping, and assay data. Sectional interpretations are then linked from section to section to develop three dimensional geological surfaces which can be used in drillhole and block model coding. The major geological surfaces that have been interpreted by CopperCo are:

- major faults and shear zones
- the base of complete oxidation surface (BOCO)
- the top of fresh rock surface (TOFR)
- mineralisation domains.

The development of mineralisation domains within each prospect has been completed based on copper grades. A 0.2 per cent. Cu cut-off has been used to demarcate the boundary of mineralisation at the Flying Horse and Mount Clarke prospects. A 0.3 per cent. Cu cut-off was used for the Lady Annie prospect. Snowden has reviewed the interpreted mineralised solids illustrated within the CopperCo Resource report, 2008 and considers that the use of a 0.2 per cent. Cu or 0.3 per cent. Cu cut-off to delineate the mineralisation is appropriate based on the available information.

Snowden consider that the Anthill and Mount Clarke mineralisation solids are relatively robust and that there is little scope for significant changes in geological interpretation. The Lady Annie and Flying Horse mineralisation solids are significantly more complex and numerous small isolated pockets of mineralisation have been modelled (Figure 8.1 and Figure 8.2). The Flying Horse mineralisation in particular has a series of small isolated vertical dipping pods of mineralisation at depth which are significantly different in style from the overlying mineralised oxide blanket which makes up the majority of the resource (Figure 8.2). Further drilling is required around the currently interpreted vertical dipping mineralised pods to accurately delineate the potential of these areas.

Figure 8.1 Oblique section of Lady Annie mineralisation solid

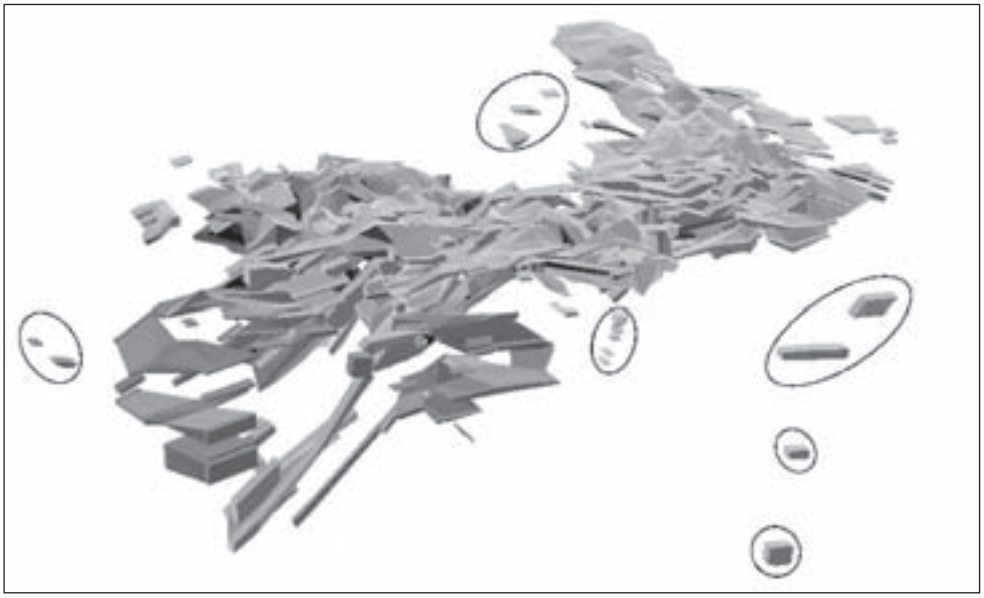
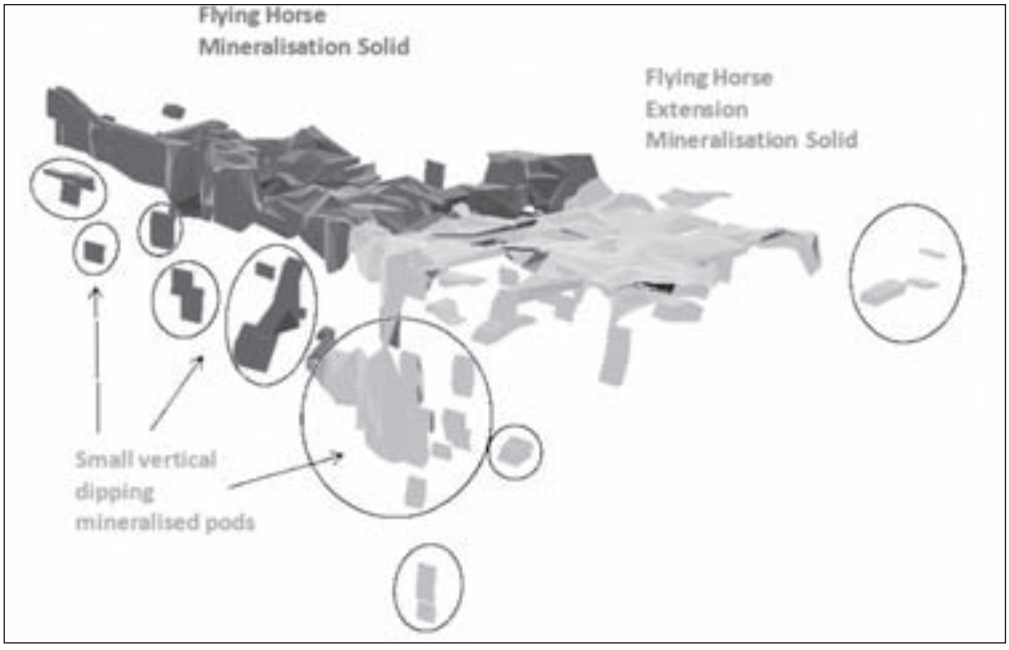


Figure 8.2 Oblique section of interpreted Flying Horse mineralisation solid showing steeply dipping isolated pods of mineralisation



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8.1.4 Density

A total of 1,052 diamond drill core samples from various regions of each prospect have been tested to evaluate the dry bulk in-situ density within oxide, transitional and fresh material. The procedures used for bulk density are considered adequate and the results obtained from the method employed are representative of what would be expected in each of the separate weathering domains (Table 8.3).

Table 8.3 summarises the bulk density results by weathering domain. Note that the Anthill prospect has very few bulk density values and subsequently some doubt exists on the default values currently assigned during resource estimation. Additional density information will be obtained for the Anthill prospect following the completion of planned drilling.

Table 8.3 Density values per domain per prospect (CopperCo Resource report, 2008)

Deposit	Type	Number of Samples	Number after trimming	Mean	Median	Value used in Resource
Lady Annie	Oxide	217	167	1.81	1.74	1.8
Mount Clarke	Oxide	81	81	2.35	2.38	2.3
Flying Horse	Oxide	181	178	2.28	2.38	2.3
Lady Annie	Trans	101	100	2.74	2.78	2.7
Mount Clarke	Trans	16	16	2.57	2.48	2.5
Flying Horse	Trans	76	76	2.63	2.68	2.5
Lady Annie	Fresh	277	264	2.80	2.81	2.8
Mount Clarke	Fresh	35	35	2.65	2.67	2.6
Flying Horse	Fresh	50	50	2.64	2.67	2.6
Anthill	Oxide	18	18			1.8
Anthill	Fresh	2	2			2.6

8.1.5 Statistical and spatial analysis

Statistical and spatial analysis (variography) of composite drillhole data was completed as part of the resource estimation process. Variography was undertaken by Coombes Capability and was completed to an adequate standard. No material errors were noted during this review but the application of a 1.2 per cent. nugget instead of a 12 per cent. nugget for the Flying Horse prospect should be corrected for future resource estimates. The semi-variogram models developed within the oxide zones, although variable from prospect to prospect, typically have a low nugget 10 per cent. to 25 per cent. and small range (80 m to 100 m). The semi-variogram models in the transitional and fresh material are less robust as limited drilling is present to accurately define the spatial continuity within these zones.

8.1.6 Resource estimation

Estimation of copper into a block model, based on 10 m north by 10 m east by 5 m elevation block size, was completed using ordinary kriging. Snowden considers that this estimation methodology is appropriate but considers further refinement is possible.

8.1.7 Resource validation

Visual and statistical checks of the estimated block grades against the composited dataset were completed by CopperCo as part of the block model validation process. Global and local block grades compare well with the composite grades in areas that have been well drilled. Variations in grade exist in areas with limited drilling but in general a good comparison exists and no material differences were observed.

8.1.8 Resource classification

Classification of resources has been completed based on drill spacing / search criteria and regression slope parameters. Snowden consider that the classification strategy employed by CopperCo is adequate although further refinement is recommended.

8.2 ORE RESERVES

The methodology used by CopperCo to estimate an Ore Reserve from the reported Mineral Resource appears to be reasonable. At the completion of optimisation studies for each deposit, pit designs were developed based on the optimum pit shell generated. Salient inputs to the Ore Reserve estimate are:

- 5 per cent. Mining dilution
- 98 per cent. Mining recovery
- 89 per cent. Metallurgical Recovery
- Copper Price of US$2.20/lb

Snowden considers the input factors and process used in the estimation of Ore Reserves to be appropriate.

The Mineral Resource, Ore Reserve and LOM scheduled quantities for deposits included in the LOM plan are shown in the table below (refer Table 8.4). The LOM plan spans a period of six years. The schedule is balanced between five deposits; Lady Annie, Mount Clarke, Flying Horse, Mount Kelly Workings and Swagman. Based on the information available to Snowden, production appears to be scheduled at rates that are not unreasonable.

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It is noted that the quantity scheduled from the operations exceeds the Ore Reserve dated 16 March 2008. The total scheduled ore quantity is 18.4 Mt at 0.9 per cent. Cu (171 kt Cu) compared to the Proved and Probable Ore Reserve of 16.0 Mt at 1.0 per cent. Cu (153 kt Cu).

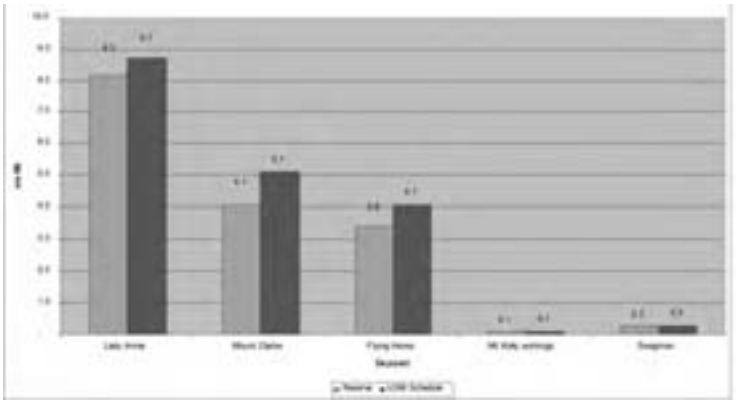
The LOM plan contains 15 per cent. of scheduled production sourced from Inferred or unclassified Resources. This "upside" schedule is not unreasonable, but the level of confidence in achieving scheduled production results for the material outside of the defined Ore Reserve will be reduced. The comparison between the Ore Reserve and scheduled ore production is shown in Figure 8.3. The deposit with the highest variance between the Ore Reserve and schedule is Mount Clarke where 27 per cent. of production (1.1 Mt) is planned from sources external to stated Ore Reserves. An ongoing program of Resource definition drilling is being undertaken with the intention of leading to increased definition of currently Inferred Resources.

Table 8.4 Mineral Resource, Ore Reserve and Schedule for scheduled deposits

		Resource				Reserve				Variance
	Deposit	Measured	Indicated	Inferred	Total	Proved	Probable	Total	Scheduled	Reserve vs. Schedule
Lady Annie	Mt	7.0	2.4	1.7	**11.1**	6.4	1.8	**8.2**	8.7	-0.5
	%Cu	1.2	0.9	0.8	**1.1**	1.2	1.0	**1.2**	1.2	0.0
	Cu (kt)	84	22	14	**121**	79	18	**98**	103.6	-6.1
Mount Clarke	Mt	2.5	3.7	0.2	**6.3**	3.0	1.0	**4.1**	5.1	-1.1
	%Cu	0.9	0.7	0.6	**0.8**	0.8	0.8	**0.8**	0.7	0.1
	Cu (kt)	22.5	25.8	0.9	**51.1**	23.1	8.5	**31.6**	36.9	-5.3
Flying Horse	Mt	1.2	3.0	0.9	**5.1**	1.1	2.4	**3.4**	4.1	-0.7
	%Cu	0.7	0.6	0.7	**0.6**	0.6	0.6	**0.6**	0.7	-0.1
	Cu (kt)	8	18	6	**33**	7	15	**22**	28.4	-6.8
Mount Kelly Workings	Mt	-	0.1	0.1	**0.2**	-	0.1	**0.1**	0.1	0.0
	%Cu	-	0.7	0.6	**0.7**	-	0.7	**0.7**	0.7	0.0
	Cu (kt)	-	0.9	0.5	**1.4**	-	0.6	**0.6**	0.7	-0.1
Swagman	Mt	0.1	0.2	0.1	**0.4**	0.1	0.1	**0.3**	0.3	0.0
	%Cu	0.6	0.6	0.5	**0.6**	0.6	0.6	**0.6**	0.6	0.0
	Cu (kt)	1	1	0	**2**	1	1	**2**	1.8	-0.1
Total	Mt	10.8	9.4	2.9	**23.2**	10.6	5.4	**16.0**	18.4	-2.3
	%Cu	1.1	0.7	0.7	**0.9**	1.0	0.8	**1.0**	0.9	0.0
	Cu (kt)	116	68	22	**207**	110	43	**153**	171.4	-18.3

* Snowden notes that CopperCo have defined additional oxide and sulphide Mineral Resources which have not been scheduled for mining and hence are not shown in the table above.

Figure 8.3 Comparison between the Ore Reserve and scheduled ore tonnes



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9. MINING OPERATIONS

The Lady Annie Project comprises five deposits; Lady Annie; Mount Clarke; Flying Horse; Swagman and Mount Kelly Workings. The Lady Annie deposit is the largest of the five deposits in the project area, and represents approximately 63 per cent. of the total copper Ore Reserves as at December 2008.

Figure 9.1: Lady Annie oxide copper resource



Mining is substantially underway in the Mount Clarke open pit. Two starter pits, Mount Clarke East and Mount Clarke West are currently being mined to the completion of two to three 10 m benches (Figure 9.2). The two starter pits are planned to eventually join to form the larger Mount Clarke pit. Pre-stripping is underway in the Flying Horse open pit (Figure 9.3). CopperCo has not started any excavation activity in the Lady Annie area. Some historic mining excavations currently exist as a result of historic mining in the early part of the previous century (Figure 9.4).

Figure 9.2 Mount Clarke East (foreground) and Mount Clarke West (background)



Figure 9.3 Flying Horse pre-stripping



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Figure 9.4 Lady Annie open pit site showing historic excavations



9.1 MINING METHOD AND EQUIPMENT

All five deposits are extracted via open pit mining methods. The pit design for these deposits has been optimised through the Whittle 4D pit optimisation process, which was based on the pit shell with the highest discounted cash flow ("DCF") value.

Mining within the Mount Kelly area is carried out with conventional drill and blast methods, drilling 5 m and 10 m benches with 102 mm diameter holes near the open pit walls and ramps and 127 mm diameter holes for the majority of production drilling. Drilling services currently comprises three drill rigs permanently based on site. Blasting is carried out using a bulk emulsion product which is manufactured on site.

Mining is carried out in three flitches for each 10 m bench. Grade control for each bench is carried out by taking three samples from each blast hole by dedicated blast hole samplers. The sample intervals match the final flitch and digging plans.

For the waste dump designs, a batter angle of 20° was used, with a 10 m wide berm allowed at every 10 m vertical intervals. This would represent a final "re-habilitated" dump design.

The company employs a dry hire fleet with maintenance support and directly employs the operating, supervisory and technical workforce. The dry hire arrangement is intended to suit the growing Ore Reserves allowing for maximum flexibility in the scheduling of equipment and manpower.

The hired equipment currently in use is predominantly new and in good condition. Maintenance is performed under contract.

In order to extract the planned ore tonnage from the Lady Annie and Mount Kelly areas the equipment listed in Table 9.1 has been planned by CopperCo. The equipment is organised into two main production fleets of one digger and four trucks. Preliminary calculations indicate that during the period February 2009 to February 2010, the planned material movement exceeds the capacity of the two fleets and a third fleet may be required to meet planned production targets. This third fleet of equipment would be in addition to the current LOM plan. The dry hire arrangement means that this additional fleet requirement will not impact on capital expenditure but will have an incremental impact on unit mining operating costs.

Table 9.1 Proposed mining fleet

Equipment description	Number of units
Komatsu PC 1250 Digger	2
Komatsu PC 800 Digger (Backup)	1
Komatsu PC 1250 Digger (Supplementary)	1
Komatsu 785 – 7 Trucks	8
D10T Dozer	1
D9R Dozer	1
Caterpillar G16H Grader	1
Caterpillar G14H Grader	1
Komatsu 655 Grader	1
769C Water Truck	1
773C Water Truck	1

9.2 PERSONNEL

The personnel levels planned for the Lady Annie mining operations are shown in Table 9.2. The operations function on a four panel fly-in-fly-out roster system. Each panel works eight days on and six days off with travel included in the eight day work time. The nature of the working arrangements, with roster overlap time of approximately 10 hours per fortnight, requires an emphasis on communication systems to facilitate reliable transfer of information between personnel on successive panels.

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The favourable working arrangements provide CopperCo with an advantage in the very competitive recruitment environment of the Australian mining industry. The working arrangements have resulted in the attraction of technical expertise and personnel being satisfied with salaries at average or below average levels when compared to similar operations in Australia. This advantage would diminish if other mining companies adopt similar working arrangements in the future.

It is possible that, as the mining operations expand, it will become necessary to increase the number of technical staff, from current planned numbers, to plan and control the more complex mining operation.

Table 9.2 Proposed manning level

Position description	Number of operators
Manager Mining	1
Senior Mine Engineer	1
Mine Engineer	1
Senior Mine Surveyor	1
Mine Surveyor	1
Senior Mine Geologist	1
Production Geologist	1
Pit Sampler Technician	4
Mine Superintendent	1
Mine Contracts Superintendent	1
Mining Supervisors	4
Mining Leading Hands	4
Senior Mine Technician	26
Mine Technician	34
Trainee Mine Technician	4
Technical staff	11
Supervisory staff	6
Operations staff	68
Overall Total	85

9.3 RECENT MINING PERFORMANCE

CopperCo is currently targeting production at an annualised rate of 19,000 tpa of copper cathode and aims to increase capacity to 30,000 tpa in early 2009.

As of February 2008, the Lady Annie Operations year-to-date performance for the 2008 financial year was as follows:

Table 9.3 Year-to-date mining performance

	Unit	Actual	Budget	Variance
Ore mined	t	1,360,330	1,485,318	-8.4%
Ore grade	% Cu	0.93	0.97	-4%
Waste mined	bcm	2,297,020	3,232,857	-28.9%
Total movement	bcm	2,888,468	3,877,719	-25.5%
Total cost	$	16,332,887	20,281,293	-19.5%
Unit cost	$/bcm	5.65	5.23	+8.1%

There were 1.360 Mt of ore mined at an average grade of 0.93 per cent. Cu for 12,695 t of contained copper, from the Mount Clarke pit up to the end of February 2008.

9.4 MINING COST STRUCTURE - CAPITAL

9.4.1 Capital cost estimate

The Lady Annie Expansion Project will increase the existing production of cathode copper from 19,000 tpa to 30,000 tpa and will be constructed in a phased approach over two years.

The existing 19,000 tpa facility is referred to as “Stage 1” and ongoing project development has been split into two phases of construction referred to as “Stage 2” (capital works for 2008) and “Stage 3” (sustaining capital project works for 2009).

Stage 2 is further divided into Stage 2A, sustaining capital works required for the initial 19,000 tpa project, and Stage 2B, expansion capital works. Stage 3 is the sustaining capital works for the expanded operation.

The capital cost estimates for Stages 2 and 3 have been prepared for CopperCo with a base date of 3rd Quarter 2007. They are expressed in Australian dollars and include an escalation allowance of 5 per cent. and a risk and opportunities (contingency) allowance of 10 per cent.. The estimate is to an accuracy of ±15 per cent.

The total bare cost capital for Stage 2 is estimated at $40.7 M with an escalation assessment of $2.1 M and a risk and opportunity (contingency) assessment of $4.6 M. A summary work structure breakdown for each of the stages is included below.

9.4.2 Stage 2 – Year 2008 Capital Works

Stage 2 will be constructed during the period January 2008 to September 2008 and will incorporate the sustaining capital scope for the 19,000 tpa project (Stage 2A) as well as the capital for the expansion to 30,000 tpa (Stage 2B). The capital cost has been developed to reflect this staging.

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Stage 2A – 19 ktpa sustaining capital works includes the following:

- construction of leach pads 4 to 8 to the south of the existing pads
- construction of the portion of storm water pond 2 (SWP2) required to accommodate leach pads 4 to 8
- extension of the leach pad trunk conveyor ("CV") CV 08 to the south to service leach pads 4 to 8
- construction of the 18 km Lady Annie Haul Road.

A summary of Stage 2A capital cost is included in Table 9.4 below.

Table 9.4 Summary of Sustaining Capital for 19,000 tpa Project

Area Description	Total (A$)
Stage 2A - 19ktpa Sustaining Capital	
19ktpa – Site general and construction management	2,179,370
19ktpa – Lady Annie haul road	2,601,856
19ktpa – Heap Leach	6,552,145
19ktpa – SWP2 (Stage 2a Capacity)	1,536,746
SUB TOTAL	12,870,117
ESCALATION	660,237
RISK & OPPORTUNITY	1,468,480
GRAND TOTAL	14,998,834

9.4.3 Stage 2B – 30 ktpa Expansion Capital Works includes the following:

- construction of additional leach pads 1 to 3 to the south of Stage 2A
- construction of the portion of storm water pond 2 (SWP2) required to accommodate leach pads 1 to 3
- construction of a 200 megalitre ("Ml") raw water storage dam to the north of the existing storm water pond 1
- extension of the leach pad trunk conveyor CV 08 to the south to service leach pads 1 to 4
- expansion of to the SX and EW plant facilities
- upgrade of 6 to 8 km of McNamara's Road
- expansion of the accommodation camp facilities to cater for an additional 50 operations personnel.

A summary of Stage 2B capital works is included in Table 9.5.

Table 9.5 Summary of Stage 2B Expansion Capital Cost Estimate

Area Description	Total (A$)
Stage 2B – Expansion Capital Cost Estimate	
Site General	6,081,986
McNamara's Road Upgrade	595,062
Heap Leach	5,542,393
SWP2 (Stage 2b Capacity)	280,878
Solvent Extraction / Electrowinning	14,488,886
SUB TOTAL	27,832,344
ESCALATION	1,427,799
RISK & OPPORTUNITY	3,175,671
GRAND TOTAL	32,435,814

9.4.4 Stage 3 – Year 2009

Stage 3 is likely to be constructed during the period April 2009 to September 2009 so stacking of the northern leach pads can commence in November 2009 as per the current stacking plan.

Stage 3 comprises the capital works required to sustain the expansion 30,000 tpa operation and will generally include the following scope of work:

- construction of leach pads 16 to 21 to the north of the existing pads
- construction of the Stage 3 PLS and ILS process ponds
- installation of Stage 3 PLS and ILS pump systems
- construction of storm water ponds 3A and 3B
- extension of the leach pad trunk conveyor CV 08 to the north to service pads 16 to 21
- shortening of overland conveyor CV-07 (A)
- supplying and installing of a new overland conveyor CV-07 (B)
- upgrading the existing crushing system may also be required.

A summary of Stage 3 capital cost estimate is included in Table 9.6.

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Table 9.6 Stage 3 Capital Cost Estimate

Area Description	Total (A$)
Stage 3 - Expanded Operation Sustaining Capital	
Site general and construction management	3,120,576
Heap Leach	7,589,507
SWP2 (Stage 3 Capacity)	1,911,565
Process Ponds	2,026,677
TOTAL	14,648,416
ESCALATION	751,464
RISK & OPPORTUNITY	1,671,384
GRAND TOTAL	17,071,264

9.4.5 Estimate exclusions

The Stage 2 and 3 estimates exclude:

- modification to the existing plant other than where necessary to accommodate the expanded plant
- upgrade of the existing crushing system
- upgrade of the existing stacking system; (other that the rerouting of conveyors CV07A/B and extensions to CV08)
- working capital
- financing costs
- goods and services tax (“GST”)
- deferred capital
- exchange rate fluctuations.

CopperCo are currently assessing the capability and performance of the existing crushing and stacking systems. Based on the outcomes of these assessments a decision will be made to upgrade or modify the system to provide the necessary long term performance and delivery capability. No allowance has been made in the Stage 2 or Stage 3 estimates to increase the capacity of either of these systems.

9.5 MINING COST STRUCTURE – OPERATING COST

The operating costs for Lady Annie are divided into the following cost centres:

- mining
- processing
- general and administration.

The estimated mining, processing and general and administration (G&A) unit operating costs as shown in Table 9.7 have been determined on a unit basis and are derived from the 2009 annual budget commencing in July 2008.

The mining cost centre includes all costs associated with the mining and hauling of up to 4.0 Mtpa of copper oxide ore. A study is currently underway to determine the optimal method of carting Lady Annie ore to the ROM pad.

The processing cost centre includes all costs associated with the production of up to 30,000 tpa of copper cathode including crushing and agglomeration of up to 4.0 Mtpa ore, conveying and stacking on heap leach pads, leaching, and the recovery of copper metal by the solvent extraction / electrowinning (SX / EW) process.

All common administration and support services not attributable to mining or processing have been collected in the Administration cost centre. This includes general management, accounting, procurement, purchasing and warehousing, security, safety and training, travel, camp/accommodation, indigenous relations and G&A labour.

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Table 9.7 Operating cost summary

Operating Costs	Units	July 2008 onwards
MINING	A$/bcm	5.28
Road train cartage (Lady Annie)	A$/t/km	0.18
TOTAL LOM	A$/bcm	**5.69**
TOTAL LOM	A$/lb	**0.52**
PROCESSING		
TOTAL LOM	A$/kg Cu	**1.04**
TOTAL LOM	A$/lb	**0.55**
ADMINISTRATION		
TOTAL LOM	A$k/month	**905.9**
TOTAL LOM	A$/lb	**0.23**
COST OF SALES		
TOTAL LOM	A$/lb	**0.15**
PROJECT TOTAL		
Total C1 cost US$/lb	US$/lb	1.01
Total C3 cost (including royalty, depreciation)	US$/lb	1.39

Note: CopperCo has based the US$ operating cost on an average exchange rate of US$0.76

9.6 LIFE OF MINE PLAN

9.6.1 Production schedule

All mining in the current LOM plan is carried out with open pit mining techniques using conventional drill and blast and truck and shovel operations. Mining commenced in April 2007 at Mount Clarke in the Mount Kelly Area and the pre-stripping of Lady Annie is scheduled to commence in August 2008. The first ore from Lady Annie is due for production in September 2008. Mining is currently at a rate of 2 Mtpa increasing to 3.5 Mtpa in 2008/09 to provide the ore feed for 30,000 tpa copper cathode production. As the grade drops off in the later years of the LOM plan, the mining rate will lift to 4 Mtpa to maintain cathode production.

The mining schedule has been developed to prioritise the following:

- an ore blend of no greater than 70 per cent. Lady Annie ore with ore from the southern pits
- maximise the ore grade early in the LOM plan and hence the project NPV
- optimise the utilisation of the mining fleet to maintain the lowest possible unit cost per BCM.

The ore blend of no greater than 70 per cent. Lady Annie with ore from the southern pits is designed to reduce any potential issues with the leaching as a result of the very highly weathered Lady Annie material. The higher grades at Lady Annie also contribute to an increased cash flow in the early years of the project while copper prices are expected to remain above the long-term average.

The bench by bench mining inventories for each pit and each cut within a pit are used to produce the monthly mining schedules. The monthly copper tonnes production requirement drives the schedules. Depending on the hierarchy or the priority of mining the various pits/cuts, the available grade is used as the main determinant for the quantity of high grade ore to be mined from each pit bench to achieve the monthly copper production. It is assumed in the schedules that the copper recovery is “instantaneous”. In reality, however, the achievement of the 89 per cent. metallurgical recovery will not be instantaneous, but rather suffers a lag to provide for the heap leaching process. A one month lag is assumed (as allowance) between ore mining schedules and the copper production schedule.

As part of the company’s high grade ore scheduling, the Lady Annie ore component is kept at or below the maximum 70 per cent. blend ratio. Hence the satellite deposits ore contribution to the total high grade ore mined is maintained at 30 per cent. or above.

The HGO monthly schedules are then used as a guide to schedule other parameters such as low grade ore (and waste), contained copper tonnes, and average monthly grades. An MS Excel spreadsheet workbook is used to formulate and compile the schedules.

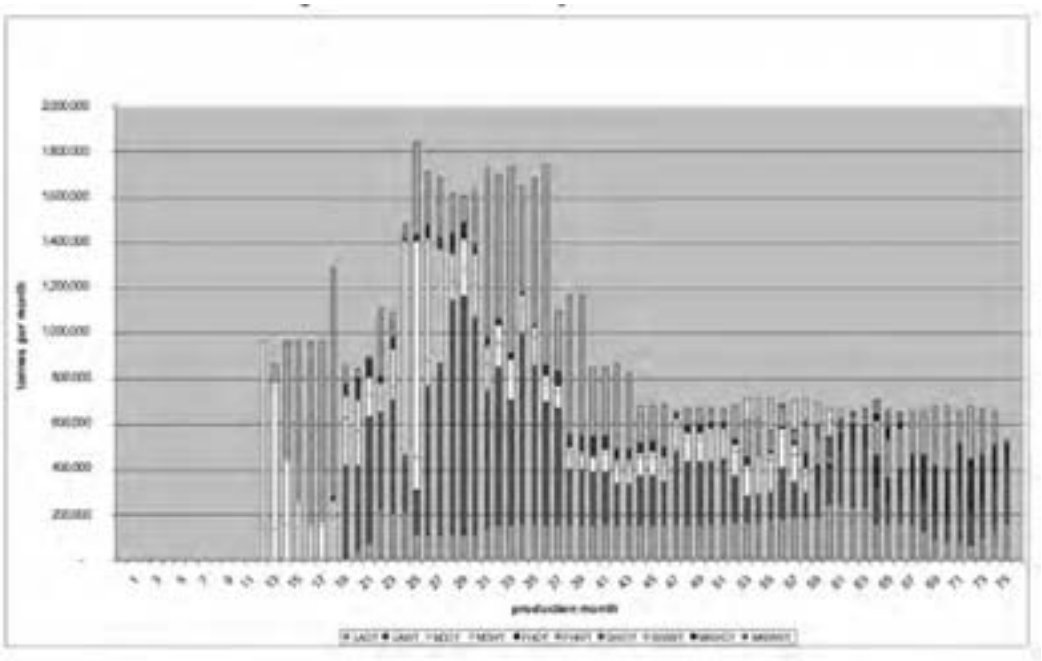
The monthly mining schedules are produced for the life of operations (i.e. until all the mining inventories are exhausted). The summary of the monthly mining schedule is then exported out of the schedule workbook for importation into the CopperCo’s financial model for further financial and corporate analysis.

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9.6.2 Forecast extraction rates

The figure below (Figure 9.5) shows the LOM planned material movements. The components are ore tonnes and waste tonnes from each planned open pit. The quantities are shown in production months with the first month being March 2007 and the final planned producing month being May 2013. The extraction rates are scheduled in order to produce 30,000 t of recovered copper per year.

Figure 9.5 LAO monthly material movement



10. MINERAL PROCESSING AND METALLURGICAL TESTING

10.1 INTRODUCTION

CopperCo's Lady Annie Project involves the metallurgical treatment of ores from the Mount Clarke, Mount Kelly Workings, Flying Horse, Swagman and Lady Annie deposits.

The treatment process involves ore agglomeration, stacking, leaching with a dilute sulphuric acid solution, collection of the pregnant copper leach solution ("PLS"), purification and concentration of the PLS through solvent extraction ("SX") and cathode production via the electrowinning ("EW") process.

The original concept involved sufficient infrastructure to produce 19,000 tpa of LME A-Grade copper cathode. The plant was commissioned in late 2007 on this precept. Subsequently, CopperCo have notified that they will be increasing capacity up to 30,000tpa of cathode from the year June 2008 by the introduction of additional leaching, SX and EW capacity. There will be an expected reduction of unit processing costs by approximately 18.4 per cent. from financial year 2009.

Preceding this, a comprehensive testwork programme has been underway for a number of years to identify the process parameters and any issues that may have impeded the economic production of copper. Testwork data was subsequently analysed by two independent experts in the field of copper heap leaching to mitigate the risks associated with translating testwork into a plant scenario.

10.2 PROCESSING FLOWSHEET

The flowsheet currently in use can be considered typical of that used throughout most of the copper industry for a heap leach / SX / EW operation. The expansion phase utilises "bolt-on" equipment for the incremental rise in production.

Ore is delivered from the mine to the run of mine ("ROM") pad and transferred to the ROM bin by front end loaders. Where a blend of ores is specified, the front end loader driver proportions the feed to the blend recipe and loads the ROM bin accordingly.

The plant is currently using a single feedstock from Mount Clarke but future operations have been developed upon a blended feed of Mount Clarke, Flying Pig and Lady Annie ores.

Ore is directed from the ROM bin through a three-stage crushing plant, consisting of a primary jaw crusher, secondary and tertiary cone crushers and vibrating screens. The various units are connected by conveyors, The fine ore product proceeds to agglomeration where it is formed into agglomerates of a size 80 per cent. passing a screen opening of 19 mm (i.e. P_{80} = 19 mm).

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Agglomeration is accomplished in a cylindrical rotating drum with the addition of concentrated sulphuric acid and raffinate produced from the SX process. Acid addition to ore ratio is calculated to produce the best agglomerates for stacking and to start the chemical reactions as soon as possible. The balled product (or agglomerates) is transferred to a radial stacker by a system of fixed and moveable conveyors. The stacker then heaps the ore in the designated pattern of cells and pads at a nominated height, currently 8 m. Stacking is conducted in an orderly and planned sequence to ensure minimal fluctuation in the desired PLS copper tenor. The initial stacking layer is on a pad lined with high density polyethylene ("HDPE") and externally monitored for leaks.

The stacked ore is irrigated conventionally using drippers with a low strength sulphuric acid solution, in a two-stage leach, to produce a PLS copper tenor of 5.4 g/l. Barren solution from the SX plant (raffinate) is treated with sulphuric acid and returned to older heaps via a raffinate holding pond. This resultant intermediate leach solution ("ILS") with an increase in copper tenor is collected in an ILS pond. This solution is re-acidified, if required, and returned to the more recently stacked heaps whereby it percolates and is collected in the PLS pond. All of the solution ponds are lined with inert HDPE and externally monitored for leaks.

PLS is pumped continuously to a series of extraction vessels in the SX plant (currently at a rate of 500 m^3/hr but at 790 m^3/hr for the expanded plant) where the solution is contacted and then disengaged with an organic extractant (LIX984) and organic carrier solution. In this process the copper species (as ions) are transferred to the extractant solution and leave behind most of the unwanted dissolved elements. This barren solution is the raffinate that is returned to the heaps.

The extractant containing the copper (loaded organic, or LO) is recontacted and then disengaged with spent electrolyte from electrowinning which itself contains about 35 g/l Cu. The copper transfers to the aqueous solution phase to produce strong electrolyte at a tenor of about 50 g/l Cu. This is the stripping phase of the SX process and produces a high copper tenor solution suitable for electrowinning.

The current series – parallel vessel configuration and the future addition of parallel extract – strip circuit with a wash vessel are adequate for current and future production. The vessel configuration required to enable a shift from 19,000 tpa cathode to 30,000 tpa cathode has been determined from modelling the circuit by the supplier of the extractant. This is the normal course of action that a competent organisation would pursue.

The high copper tenor solution (strong electrolyte) is clarified in duel media filters and passed through a series of heat exchangers prior to being distributed to a bank of electrowinning cells termed scavenger cells. The resultant solution is then transferred to the remainder of the electrowinning cells, termed commercial cells. The copper solution is chemically modified to maintain specified levels of chloride, iron, cobalt and guar gum; each of which controls certain processes within the tank-house.

Copper is plated onto stainless steel cathodes and periodically removed by a planned regimen of stripping, via mechanised means, bundled, weighed and sent to market.

The planned expansion requires installing an additional 58 electrolytic cells and additional rectiformer capacity. The equipment that has been proposed is entirely adequate. It can be calculated from the design criteria, that the expanded tank-house will have adequate capacity to support a 30,000 tpa cathode production operation.

The operation appears to be adequately supported by required reagent provisions and utilities, all of which will have suitable upgrading to support an expanded plant.

10.3 METALLURGICAL TESTWORK/ INTERPRETATION

Besides having the copper availability, the key operating parameters for a heap leach operation are related to;

- percolation
- agglomeration
- acid usage
- copper recovery
- heap height

where a number of these are inter-related.

10.3.1 Percolation / heap height

Percolation is used to describe the leaching fluid flowing through the porous fractions of the stacked ore. Excessive percolation rates can induce channelling, thereby reducing copper recovery and reduced rates adversely affect production.

Extensive laboratory testwork has been conducted in the United States to identify any percolation issues with the Lady Annie ores. The reports identified potential issues with excessive fines generation but supported blending to mitigate this. Arcadis (2005) reported that a heap height of 8 m could be supported based upon the hydraulic data measured and interpreted, particularly with the Mount Clarke ore. However, a 6 m (or lower) option may be better in the longer term if the Lady Annie ore contains a large proportion of fines.

Additionally, column testing with most probable blends, as advised by the mine schedule, indicate that the percolation rate of solution is quite acceptable at a heap height of 6 m as long as agglomeration was properly adhered to.

It should be noted that although hydraulic testing supported, to some extent, a heap height of 8 m there appears to have been no leaching testwork at this height; 6 m being the maximum tested. However, the operation currently uses a height of 8 m and this appears quite successful on the Mount Clarke ore.

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10.3.2 Agglomeration

The blended ore requires agglomeration with concentrated sulphuric acid in an aqueous solution. CopperCo use raffinate for this purpose in line with usual practice. Reports derived from testwork indicate that as long as the agglomeration process is conducted adequately, the resultant heaps should be sufficiently supported to enable the expected copper extraction. Internal testwork has nominated the quantity of sulphuric acid to apply to the ore in the agglomerator and this is ore dependent.

The quality of the agglomerates will be affected by the ore blend used, sometimes adversely and this will be a function of the mining plan. However, operating conditions may need to be changed to reflect this and CopperCo has sufficiently experienced personnel to react to this.

10.3.3 Acid usage

All testwork data to date indicates that acid usage will be low, when compared to similar operations; about 10 to 15 kg/t of ore on a net basis. However, the Lady Annie deposit is known to contain areas of high acid consuming calcium and magnesium compounds and it is essential that material of this nature is excluded from the leaching process. CopperCo are well aware of this and are presumably identifying the high calcium and magnesium areas accordingly.

The modelled net acid consumption should be about 16 kg/t of ore, which is comparable to the above. This is as a result of these ores having high, inert silica content instead of acid consuming compounds (except where mentioned above).

As sulphuric acid is a major component of operating costs, its use must be monitored closely. Deviation from expectations, especially an increase, will need to be corrected as soon as practicable, being mindful that a change is measured in days or weeks rather hours in this type of operation.

The major risk is that the unit acid consumption increases to an unacceptable level, due to a change in ore type but monitoring of the ore to be mined and acid consumption can mitigate any potential effects.

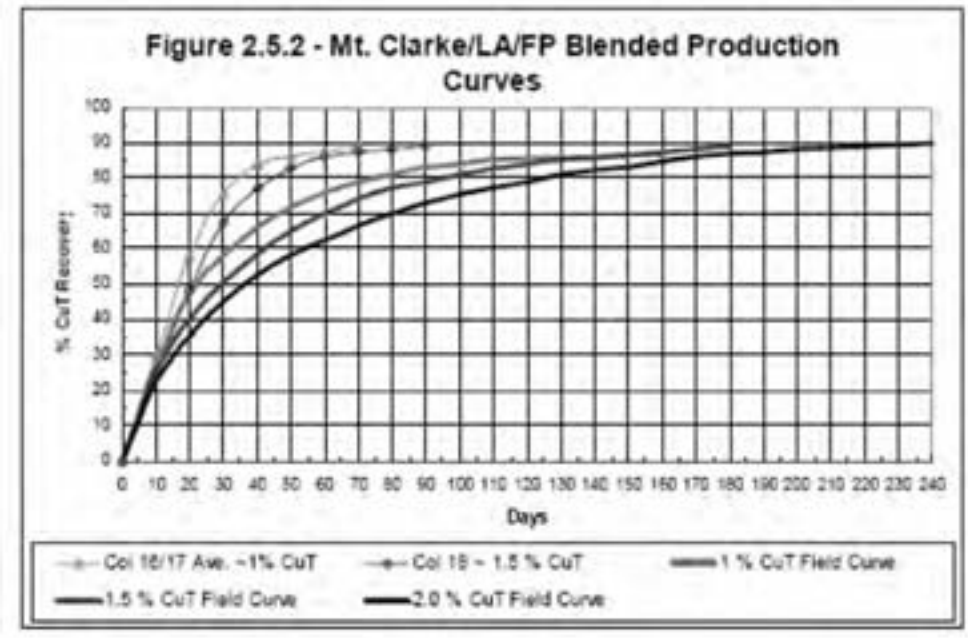
10.3.4 Copper recovery

If the expected leaching copper recoveries are not obtained, then cathode production and cash flow will not be achieved.

The whole operation is dependent upon copper leaching curves developed from testwork and subsequently interpolated for an operating regime. There were no trial heaps to test such data. The absence of trial or pilot heap leaching is now commonplace in the industry as testwork becomes more sophisticated and reliable.

A series of laboratory leach curves were developed for various regimes of head grades, which achieved copper recoveries about 85 per cent. to 90 per cent. in a 90 day leach cycle. These curves were subsequently revised by Scheffel to suit an operating environment. His primary assumption, from his experience, was to double the laboratory leach time to 180 days with altered leaching depending on head grade. These curves are shown following in Figure 10.1.

Figure 10.1 Leaching curves (Scheffel, 2006)



Although Scheffel provides no concrete evidence to support this major assumption, another consultant, Miller (Miller Metallurgical Services Pty Ltd, 2006) derived some absolute leaching data using a more mathematical approach. This is presented in Table 10.1.

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Table 10.1 Miller leach modelling

Summary of Leach and Acid Consumption Modelling								
Case	%Cutot	Bulk Dens	Leach Rates	GAC kg/t/d	time to 85%	reach 90%	GAC A:Cu	@ 90% kg/t
Base	1.3	1.2	0.11/0.02	0.012	80	166	1.9	12.2
Slow Leach	1.3	1.2	0.08/0.015	0.012	103	214	2.6	12.8
High density	1.3	1.5	0.11/0.02	0.012	98	206	2.4	12.7
Hi GAC	1.3	1.5	0.11/0.02	0.02	79	165	3.2	13.5
Hi Copper	2.0	1.2	0.11/0.02	0.012	115	241	1.9	12.1
Worst Case	1.3	1.5	0.08/0.015	0.02	129	267	5.4	15.5
Worst Case High grade	2.0	1.5	0.08/0.015	0.02	190	394	5.4	17.1
RES Base Case	1.5	1.2	0.11/0.02	0.012	90	187	1.9	12.2

The relevant data in this table refers to "time to reach", the derived days for which a particular type of ore needs to be leached to reach a nominated copper recovery. A simple mathematical average over the 16 data points given infers an 87.5 per cent. Cu recovery requiring about 170 days. This is remarkably close to Scheffel's 86 per cent. to 91 per cent. recovery (head grade dependent) requiring 180 days.

Miller's data also includes ore types with fast and slow leaching characteristics and suggests that to achieve the 90 per cent. recovery mark, leaching will need to be conducted anywhere from 165 to 394 days.

Therefore, it appears that satisfactory leaching can be achieved in an average leach regime of about 180 days. However, there will be periods of time where this will probably be exceeded or reduced.

Such behaviour can only be verified by comparing operating data with that modelled. Based on previous experience, final recoveries in the plant situation closely approach laboratory column testwork results but inevitably have lower kinetics.

10.4 HISTORICAL AND EXPECTED METALLURGICAL PERFORMANCE

These comments refer mainly to the process that produces the PLS (i.e. feed preparation and heap leaching) as the SX and EW parts of the plant are well understood and generally behave in a common manner for all operations. There is nothing from CopperCo's present operation to refute this and, as mentioned in an earlier section, the proposed equipment to support an expended production appears quite adequate. As far as is understood, there will be no change in the general operational philosophy.

Leaching at this operation has been in operation, treating ore from Mount Clarke, since August 2007. Up to the end of March 2008, the following has been achieved.

- 11,475 t of Cu have been stacked or are under leach.
- 7,495 t of Cu have been leached into solution.

An actual of 5,262 t (versus a budget of 6,398 t) of cathode production has been achieved to the end of February 2008.

The following data (Table 10.2) tabulates monthly operational data and calculates an operating recovery for copper.

Table 10.2 Operational leach data

Time	Tonnes Cu Leached	Cum Cu Leached, tonnes	Tonnes Cu Stacked Leaching	Cum Cu Stacked, tonnes	Operating Recovery, %
Sep-07	510	510	2019	2019	**25.3%**
Oct-07	960	1470	1361	3380	**43.5%**
Nov-07	1008	2478	1888	5268	**47.0%**
Dec-07	919	3397	1356	6624	**51.3%**
Jan-08	1354	4751	1628	8252	**57.6%**
Feb-08	1288	6039	2023	10275	**58.8%**
Mar-08	1456	7495	1200	11475	**65.3%**

Note that the operating recovery is different from the final copper recovery as it computes its recovery from all heaps under leach, all being at different stages of their life cycle. The final copper recovery is computed from all heaps that will no longer be leached and is always greater than the operational recovery.

The life to date operational recovery of the leaching process can be logged as the following graph (Figure 10.2).

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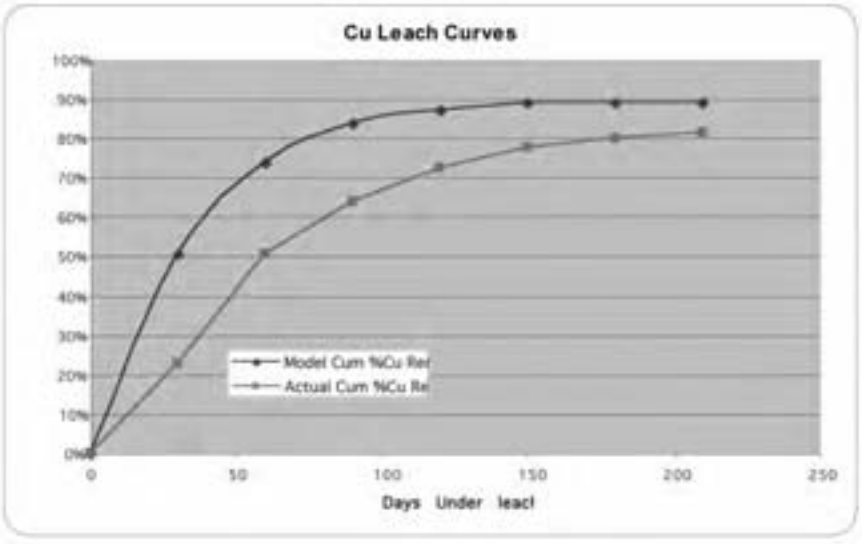
Figure 10.2 Operating recovery graph



The important aspect of this graph is that the recovery is continuing to rise and it should continue to do so until it reaches a natural equilibrium, usually a little below the desired final copper recovery. CopperCo's desired final recovery is nominated to be 89 per cent., which has been substantiated by testwork using probable ore blends.

However, testwork suggests that leaching Mount Clarke ore alone would only achieve 84.4 per cent. recovery. Based upon the current leach operations, and it is stressed that these are early days, the copper recovery is indicating about 82 per cent.. The model and actual curves are shown below in Figure 10.3.

Figure 10.3 Leaching curves (Hydrometallurgical Research Laboratories)



The difference in leaching kinetics towards the start of the process is attributed to the more perfect conditions of testwork from which the model was derived. This compares to the operational regime, where ore progressively comes under leach when sufficient area is available.

Although not without some potential risks, this part of the operation is performing well at this point. However, it is noted that only a single, highly siliceous ore is currently being treated. The introduction of ore from Lady Annie will add some additional challenges, due to its finer nature, but previous testwork suggests that the potential issues can be mitigated with the correct processes and application. The company has sufficiently experienced personnel to address this.

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It can be concluded that, with the current known ore properties, the personnel involved and a glimpse of operations, there should be a high expectation that the operation can achieve and maintain cathode production around 30,000 tpa mark after the proposed expansion.

There are, of course, inherent risks with this type of operation.

10.5 PROCESSING COST STRUCTURE

Processing costs are variously given between A$1·17 to A$1·27 per kg of cathode copper for the financial year ending June 2008 and A$1·04 to A$0·96 per kg of cathode copper for the financial year ending June 2010, a full year at the higher operational rate. Although the costs appear a little low, they are positively influenced by the lower than "normal" net acid consumption in leaching.

Whereas another operation may budget for an acid consumption of 25 to 30 kg/t, the actual usage at Lady Annie Operations is currently about 6.5 kg/t with an overall expectation of about 15 kg acid per tonne of ore.

The plant expansion is expected to reduce the unit operating cost by about 18 per cent., which will be a big achievement to strive for. Although there are a number of fixed costs, the major cost drivers are variable and include:

- electrowinning power, generally the single largest cost in EW, is directly proportional to the increase in copper
- organic loss (extractant plus diluent) is proportional to SX flows, which increase for increased copper
- sulphuric acid use is proportional to the mass of ore stacked/ leached.

Major costs in this type of operation, other than the usual labour plus on-costs, power and maintenance are:

- sulphuric acid
- extractant
- diluent.

The operation is currently operating below budget with all of these consumables but this is no indication that they will continue to do so. The purchase price of all of these reagents is expected to rise but does not appear to be reflected in future budgets.

Notwithstanding, the budget costs, as presented, appear to be reasonable but, as with all budgets, future costs are only an educated guess and the cost forecasting process over a shorter time frame becomes more important for control.

If the operation can achieve a processing operating cost around A$1·00/kg of copper cathode, then they will be performing extremely well.

There appears to be adequate future provision for pad preparation, over-stacking and continuation of drainage and irrigation facilities. However, as the pads increase in height, the ability to convey ore becomes more onerous and the route more tortuous. Larger ramp or skyway access will be required and there appears to be no provision for this. These may be addressed in the mining budget as, invariably, these works are constructed from mine waste.

10.6 RISKS AND OPPORTUNITIES

There are number of risks specific to this type of operation. There are also well known ones associated with a remote site but they will not be discussed here.

1. Excess fines in the ore

   If inadequately stacked, this will cause percolation and copper recovery issues. It has been reported that there are excess fines in parts of the Lady Annie ore. This can be a moderate risk with moderately high overall negative impact. This is planned to be addressed by blending, which was successful during testing.

2. Negative recovery and percolation issues within heaps

   This can be a moderate risk with moderately high overall negative impact. This is generally caused by inadequate agglomeration, poor or high stacking. These issues have been raised in the testwork and should be mitigated with good operational practices.

3. Longer leach times than predicted

   This is more common than normally thought and requires additional pad area sooner than budgeted. It is a moderate risk and can have a short term affect on cash flow. There is no indication of this happening at this stage.

4. Chemical imbalance in electrolyte

   This is low risk but can have a very high impact on production. There have been instances when these imbalances have caused enforced plant shutdowns for considerable periods of time. Effective training and monitoring keep the requisite chemicals within tolerance. CopperCo have sufficiently experienced personnel to be able to minimise any of these excursions.

5. Cathode contamination

   This is a moderate risk having a low impact on production but can have a high impact on cash flow. Contamination is generally via or organic chemical impurities. CopperCo have mitigated the organic issue by configuring some of the electrolytic cells as scavenger cells, thereby confining any such contamination to these cells alone. Chemical issues are addressed as item 4 above.

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Some of the opportunities that may arise from this operation are:

1. The consistent production of "5-nines" copper cathode (Cu ≥ 99.999 per cent.). This generally attracts a premium above the LME A-grade (Cu ≥ 99.99 per cent. Cu) copper price.
2. The opportunity to reduce organic losses by better recovery methods, considering extractant costs about $US12 per litre.
3. Better, more consistent agglomeration by control of agglomerate moisture. Lack of inconsistent moisture control could have some negative impact on the heap leaching process.
4. Long term supply agreements for reagents and consignment stock, to minimise costs.

10.7 GENERAL COMMENTARY

The proposed increase in cathode production to 30,000 tpa appears fair, reasonable and achievable; based upon the operation to date and the proposed methodology to increase it.

Up to this point in time the kinetic data from the plant is considered insufficient to formulate an exact opinion on the rate of leaching at CopperCo. However it is considered to be satisfactory and that final copper recovery will approach that obtained in laboratory testwork. Nevertheless, it is recognised that current operations are based upon the best physical ore available which is considered by Snowden to be an appropriate strategy on which to commission a plant. There will always be impediments and operational procedures which may need to be altered.

Reported costs appear to be toward the lower end the range for similar operations in Australia but may reflect the much lower acid usage for this operation. However, in all heap leach / SX / EW operations, the heap leaching aspect is the most difficult, requires extensive testwork and interpretation, and has the biggest bearing on costs and revenue. Therefore, the majority of the commentary alludes to this unit operation.

Heap leaching is not an exact science and depends on much interpretation to formulate an operating, and hence financial, strategy. CopperCo's strategy for the next five years produces approximately 125,000 t of cathode. This is regarded as an achievable objective over this time frame.

CopperCo have selected a 180 day leach time for a 1.5 per cent. Cu head grade ore at an 89 per cent. ultimate recovery as their base model. Sub-sets are used for different bands of head grades. This is a fair and reasonable assumption considering the testwork conducted and reported by two independent consultants, both renowned within the field of heap leaching. One of them suggests a 180 day cycle whilst the other calculates various cycles under differing conditions. His data suggests an average leaching cycle of 170 days for a recovery of 87.5 per cent. Cu.

If the testwork acid demand of the ore can be adhered to, then sulphuric acid demand is relatively low when compared to other operations. CopperCo's acid consumption should be less than but up to about 16 kg acid/ tonne of ore whereas one would have expected, say 25 to 30 (or even more) kg/t. There is a logical reason for this in that the CopperCo ores contain a large proportion of unreactive silica.

Heap height has been initially selected as 8 m and tends to fit hydraulic conductivity testwork conducted on Mount Clarke ore. For this height to be effective, good agglomeration techniques must be adhered to and ores containing excessive fines must be blended to prevent migration under irrigation. There are no reasons why these aspects cannot be resolved. However, the effectiveness of the height selected can only be quantitatively verified by sample drilling of barren heaps. The height may need to vary depending on the blend of ore being used.

11. DECLARATIONS BY SNOWDEN MINING INDUSTRY CONSULTANTS PTY LTD

11.1 INDEPENDENCE

Snowden is an independent firm of consultants providing a comprehensive range of specialist technical and financial services to the mining industry in Australia and overseas, through offices in Perth, Brisbane, Johannesburg, Cape Town, Vancouver, London and Belo Horizonte. Our corporate services include technical audits, project reviews, valuations, independent expert reports, project management plans and corporate advice.

This report has been prepared independently and in accordance with the Code of the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ('the VALMIN Code") and the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code"). The authors do not hold any interest in CopperCo, its associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Snowden's standard rates. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

Snowden personnel responsible for the preparation and review of this report were Mr Justin Watson (Senior Consultant), Mr Karl Van Olden (Principal Consultant), Mr Jeff West (Associate Metallurgist) and Mrs Christine Standing (Principal Consultant) and Mr Jeames McKibben (Divisional Manager – Corporate Services). Mr Watson, Mr Van Olden, Mr West and Mrs Standing are the principal authors, whilst Mr McKibben reviewed this report. Mr Watson was responsible for reviewing the Mineral Resources, Mr Van Olden reviewed the development strategy, Ore Reserves and mining operations, Mr West reviewed the mineral processing and metallurgical testing and Mrs Standing compiled the background, geological and exploration data. A site visit to CopperCo's Lady Annie Project areas was conducted in April 2007 by Mr Van Olden.

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In preparing the report, Mr Watson, Mr Van Olden, Mr West and Mrs Standing relied on information provided by CopperCo and a number of reports and research papers published by various government and academic institutions. The authors have also held detailed discussions CopperCo senior management.

11.2 QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mr J Watson (Senior Consultant), Mr K Van Olden (Principal Consultant), Mr West (Associate Metallurgist), Mrs C Standing (Principal Consultant) and Mr J A J McKibben (Divisional Manager–Corporate Services).

Mr Justin Watson (BAppSc (Hons), MAusIMM (CP)) has worked in the mining industry for more than 12 years including senior roles in large Australian and international companies and open cut and underground operations in Australia and overseas. His expertise includes base metals, gold and bauxite gained from working in large operating mines such as Broken Hill, Boddington, Lihir and Mount Isa. He has experience in exploration, mine geology, sampling, QA/QC, database management, mineral resource evaluation/reporting, conditional simulation, risk analysis, project management, reconciliation, auditing and due diligence.

Mr Karl Van Olden (BSc, GradDip Eng, MBA, MAusIMM) is a mining engineer with more than 15 years experience. He has managed JORC-standard ore reserve processes, mine planning on deep gold and nickel mine operations with substantial geotechnical considerations and managed technical disciplines in South Africa and Australia. He has experience in technical and operational reviews, capital and operating cost estimation, financial modelling and the evaluation of significant capital projects.

Mr Jeff West (MAusIMM) is an Associate Metallurgist from the South Australian Institute of Technology, Adelaide and has been within the metallurgical industry for in excess of 40 years. Mr West has spent approximately 20 years in a number of consulting roles, the balance being in operations and management. He has spent about 15 years in the application of heap leaching, solvent extraction and electrowinning for copper recovery covering such roles as design, commissioning, management and consulting within Australia and overseas. Mr West works for Mineral Engineering Technical Services Pty Ltd (METS) as Senior Metallurgist. The company supplies consulting and independent technical reviews for the metallurgical industry.

Mrs Christine Standing (BSc (Hons), MAusIMM, MAIG) is a professional geologist with over 26 years of experience in the exploration and mining industry. Mrs Standing has been consulting in resource estimation since joining Snowden in 1988, with skills encompassing resource evaluation studies, grade control and reconciliation studies, and application of statistical and geostatistical techniques to multi-element studies. Mrs Standing is currently a Principal Consultant for the Corporate Services Division in Perth and is involved in independent technical reviews, audits and valuations of exploration assets.

Mr Jeames McKibben (BSc (Hons), MBA, MAIG) has more than 13 years experience gained as an exploration geologist in Australia, Zambia and Morocco, and as a geologist/analyst with the government agency, Tasmania Development and Resources. Having completed his MBA at Macquarie University, Mr McKibben joined the Corporate Services Division at Snowden, where he is currently the Divisional Manager and is involved in independent technical reviews, audits and valuations of mining and exploration assets.

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13. GLOSSARY OF ABBREVIATIONS, DEFINITIONS AND TECHNICAL TERMS

Abbreviations	**Cu** – copper, **km** – kilometre, **lb** – pound, **m** – metre, **M** – million, **Pb** – lead, **t** – tonne, **t/m^3** – tonnes per cubic metre, **ha** – hectare, **km^2** – square kilometres, **tpa** – tonnes per annum, **ppm** – parts per million.
actinolite	A complex calcium magnesium iron silicate mineral commonly occurring in metamorphic rocks.
agglomeration	A method of concentrating valuable minerals based on their adhesion properties.
alteration	A physical or chemical change to original rock minerals.
batholith	A large igneous intrusion >100km^2 in area
base metal	A generic term that collectively refers to elements of copper, lead, zinc and nickel.
basin, sedimentary	A geographically contiguous region of subsidence in which sediments were deposited over a period of time.
breccia	Rock comprising angular fragments enclosed in a finer grained matrix.
calcite	The most common carbonate mineral and is the principal constituent of limestone.
chalcocite	A copper ore mineral compose of copper and sulphur.
chalcopyrite	A copper ore mineral compose of copper, iron and sulphur.
chert	Rock composed of very fine crystals of silica, indistinguishable except under magnification, which occurs as bands or layers of nodules in sedimentary rocks. May be primary or due to replacement.
chrysocolla	A hydrous silicate of copper.
colluvium	Weathered material transported by gravity.
copper cathode	Saleable copper product.
cuprite	A copper ore (Cu_2O)
diamond drilling	Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
dilution	Waste mined as ore.
dip	Geological measurement – the angle at which bedding or a structure is inclined from the horizontal.
dolomite	Carbonate mineral ($CaMg(CO_3)_2$).
electromagnetic (EM)	Geophysical survey involving the measurement of alternating magnetic fields associated with currents artificially or naturally maintained in the ground.
EPM	Exploration Permit Minerals; area in which a company has licence to conduct mineral exploration in Queensland, Australia.
JORC Code	The Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code' or 'the Code'), which sets out minimum standards, recommendations and guidelines for Public Reporting of exploration results, Mineral Resources and Ore Reserves in Australasia. This code is prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Australian Mineral Industry Council (JORC).
gossan	A ferruginous deposit commonly derived from the weathering of sulphide ores and often showing relict crystalline textures.
greenshist facies	A set of metamorphic mineral assemblages produced by metamorphism of a wide range of rocks.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2004)
inlier	An area or group of rocks surrounded by rocks of a younger age.
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.' (JORC 2004)

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IP	Induced polarisatiuon, an electrical geophysical surveying technique.
MAIG, FAIG	A post-nominal that signifies the holder is Member/Fellow of the Australian Institute of Geoscientists ("AIG"). Under the JORC reporting code, a 'competent person' must be at a minimum a member of the AIG or the AusIMM.
magnetite	Magnetic iron oxide mineral Fe_3O_4.
malachite	A copper ore ($CuCO_3.Cu(OH)_2$) usually found in oxidised zones.
MAusIMM, FAusIMM	A post-nominal that signifies the holder is Member/Fellow of the Australian Institute of Mining and Metallurgy ("AusIMM"). Under the JORC reporting code, a 'competent person' must be at a minimum a member of the AIG or the AusIMM.
MBA	Master of Business and Administration.
Measured Mineral Resource	'A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.' JORC 2004
Mesozoic	Era of Geological Time from 65 to 248 million years ago.
metamorphism (metamorphic)	The process by which changes are brought about in earth's crust by the agencies of heat, pressure and chemically active fluids. Metamorphic rocks are produced by this process.
metasomatism / metasomatic	A metamorphic process whereby existing minerals are totally or partially transformed into new minerals by the replacement of their chemical constituents, usually by fluids of material from an external source. Metasomatic rocks are produced by this process.
mineralisation	An accumulation of potentially economic minerals, especially sulphides.
ML	Mining Lease.
mylonite	A laminated milled rock formed by movement on fault surfaces.
percussion hole	Hole drilled by a hammering action under rotation, which produces pulverised rock and fragments which are forced to the surface by compressed air.
Probable Ore Reserve	A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified. (JORC, 2004)
Proved Ore Reserve	A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. (JORC, 2004)
pyrite	A common iron mineral composed of iron and sulphur.
pyrrhotite	A yellowish-brown mineral with a composition similar to pyrite but it is deficient in iron.
primary	Original or originating.
ordinary kriging	Grade estimation technique.
oxide copper deposit	Concentration of secondary copper minerals, such as malachite, formed in the oxide zone.
primary copper	Copper mineralisation which has not been influence by weathering.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1000 – 2500 million years old
RAB	Rotary air blast drilling; shallow rotary drilling method used to penetrate soil and weathered bedrock and obtain samples.
RC	Reverse circulation drilling; a drilling method in which rock chips are delivered to the surface inside the rod string by compressed air.
quartzite	A metamorphic rock comprised largely or entirely of quartz.
radiometric	Data relating to the radioactivity emitted by rocks at or near the earth's surface, usually collected by hand or remotely from a helicopter or fixed wing aircraft.
raffinate	The portion of an original liquid that remains after the other components have been dissolved by a solvent.

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reductant	In chemistry, an element or compound that reduces another species, and in doing so becomes oxidised. In geology, carbonaceous rock units strong in graphite, such as black shales, may precipitate metals from fluid by their reducing nature.
rock chip sampling	The collection of selective or representative samples of rock fragments within a limited area for analysis.
shear zone	A generally linear zone of stress along which deformation has occurred by translation of one part of a rock body relative to another part.
solvent extraction / electrowinning (SX/EW)	Solvent extraction involves mixing the leach solution with an organic reactant so the copper is extracted into the organic phase. The organic phase (with copper) separates from the raffinate due to density differences. The organic phase is stripped, by mixing it with an aqueous solution of higher acidity which causes the copper to return to solution. The copper rich solution is passed through the electrowinning process for copper recovery.
stratigraphy	The study of stratified rocks, their timing, characteristics and correlations in different locations.
strike	The direction of bearing of a bed or layer of rock in the horizontal plane.
stockwork	A network of veins.
sulphide	A type of mineral composed of metal or metals combined with sulphur.
tenorite	A copper oxide mineral (CuO).
uplift	A structurally high area in the crust, produced by positive movements that raise or upthrust the rocks, as in a dome or arch.
unconformity	An unconformity is a buried erosion surface separating two rock units of different ages and indicates that sediment deposition was not continuous.
weathering	The process by which rocks are broken down and decomposed by the action of wind, rain, changes in temperature, plants and bacteria.

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GLOSSARY

The following definitions apply throughout this document, unless the context otherwise requires:

"4E"	platinum, palladium, rhodium and gold;
"Ag"	silver;
"As"	arsenic;
"Au"	gold;
"BFS"	bankable feasibility study;
"BOCO"	base of complete oxidation;
"CaF_2"	calcium fluoride;
"Cu"	copper;
"EIS"	environmental impact study;
"g/t"	grames per tonne;
"km"	kilometres;
"km^2"	square kilometres;
"KPI"	key performance indicators;
"Kt"	thousand tonnes;
"m"	metres;
"Mt"	million tonnes;
"Moz"	million ounces;
"MSRC"	Mount Scotchy Reverse Circulation;
"Pb"	lead;
"PGE" or "PGM"	platinum group elements, which include platinum, palladium, ruthenium, rhodium, iridium and osmium;
"SX-EW"	solvent extraction – electrowinning;
"t/m^3"	tonnes per cubic metre;
"tpa"	tonnes per annum;
"V_2O_5"	vanadium oxide
"Zn"	zinc; and
"%"	per cent.

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DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"1985 Act"	the Companies Act 1985, as amended from time to time, of the United Kingdom;
"2004 Plan"	has the meaning set out in paragraph 4.1 of Part V;
"2007 Option Plan"	has the meaning set out in paragraph 4.3 of Part V;
"2007 Share Plan"	has the meaning set out in paragraph 4.2 of Part V;
"A$"	the lawful currency of Australia;
"ABN, ACN, ARBN"	Australian Business Number, Australian Company Number, Australian Registered Business Number;
"Accepting Unmarketable Parcel Holder"	an Unmarketable Parcel Holder who accepts the Offer prior to the commencement of any Subsequent Acquisition Transaction;
"Acquisition"	the proposed acquisition by CopperCo of Minsec pursuant to the Offer;
"AIM"	the market of that name operated by the London Stock Exchange;
"Announcement"	the announcement made by CopperCo and Minsec on 29 January 2008 regarding the Acquisition;
"Announcement Date"	the date of the Announcement, being 29 January 2008;
"ASIC"	the Australian Securities and Investments Commission;
"ASTC"	the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532);
"ASTC Settlement Rules"	the settlement rules made by ASTC in force for the time being;
"ASX"	ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange (as the context requires);
"ASX Corporate Governance Council"	the Corporate Governance Council established by the ASX on 1 August 2002;
"ASX Listing Rules"	the listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express waiver by the ASX;
"ASX Waiver"	the waivers to, or exemptions from, the ASX Listing Rules;
"Australia"	the Commonwealth of Australia, its states, possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof;
"Australian Broker Participant"	an Australian broker admitted as a participant under the ASTC Settlement Rules;
"Australian EST"	Australian eastern standard time;
"Australian Non-Broker Participant"	an entity admitted to participate in CHESS under the ASTC Settlement Rules;
"Australis"	Australis Exploration Pty Limited a company incorporated in Australia (ACN 125 939 291);
"Bidding Agreement"	the bidding agreement entered into by CopperCo and Minsec on 29 January 2008;
"Buka Gold"	Buka Gold Limited (formerly Buka Gold Holdings Limited), a company registered in Australia (ACN 112 731 638) whose shares are listed on ASX (ticker BKG);
"Buka Minerals"	Buka Minerals Pty Limited (formerly Buka Minerals Limited), a company registered in Australia (ACN 000 741 373), formerly listed on ASX (ticker BKA);
"Business Day"	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in the City of London are open for normal business;
"BVI"	British Virgin Isles;
"BVI Act"	the BVI Business Companies Act 2004 (Virgin Islands);
"Canada"	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof;
"C$"	the lawful currency of Canada;
"Cash Election"	the election for cash consideration that may be made by Accepting Unmarketable Parcel Holders in accordance with the procedure set out in paragraphs 7.9 and 14 of Part I of this document;
"CDI"	CHESS Depository Interests in respect of Minsec Shares, being quoted on the ASX and conferring a beneficial interest in the underlying Minsec Shares to which they relate;

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"CDI Acceptance Form"	the form of acceptance and authority relating to the Offer which, in relation to Minsec Shares held as CDIs, accompanies the Offer Document;
"CDI Holder"	a holder of one or more CDIs;
"CDI Nominee"	CHESS Depository Nominees Pty Limited, a company registered in Australia (ACN 071 346 506);
"certificated" or "in certificated form"	a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form and which is not in uncertificated form (that is not in CREST) or a CDI;
"CESR Recommendations"	The Committee of European Securities Regulators recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2009, dated February 2005;
"Chaarat"	Chaarat Gold Holdings Limited, a company registered in the British Virgin Islands under number 142 0336 and whose shares are admitted to trading on AIM (ticker CGH);
"CHESS"	Clearing House Electronic Sub-register System for the electronic transfer of securities, operated by ASTC;
"CHESS Cash Election Electronic Acceptance"	the inputting of an EIS type '031' message by a participant which constitutes or is deemed to constitute an acceptance of the Cash Election;
"Closing Date"	the date on which the Transaction Period in respect of the takeover offer for Minsec Shares (including, where relevant, UK DIs or CDIs in respect of such shares), and for Minsec Shares that come into existence during the Transaction Period upon the exercise of the Minsec Shares Options or pursuant to the Minsec LTIP, to be made by CopperCo in accordance with the provisions of Minsec's Constitution (which incorporates provisions of the City Code, except to the extent varied by agreement) on the terms and conditions set out in Section A of Part IV of this document and the Announcement, ends being the earlier of the date on which the aforementioned takeover offer completes and the date on which the aforementioned offer lapses;
"Closing Price"	the closing middle market quotation of a Minsec Share on a particular day, as derived from the AIM Appendix to the Daily Official List;
"Code" or "City Code"	the UK City Code on Takeovers and Mergers;
"Codelco"	Corporación National del Cobre, Santiago, Chile;
"Company" or "CopperCo"	CopperCo Limited, a company incorporated in Australia (ACN 004 434 904) whose shares are listed on ASX (ticker CUO) and/or as the context may require, one or more directly or indirectly owned subsidiaries of CopperCo;
"Company Announcements Office"	the office designated by the ASX as its company announcements office;
"Companies Act 2006"	the Companies Act 2006, as amended from time to time, of the United Kingdom;
"Competent Person"	a person who is a member or fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. A 'Competent Person' must have a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking. Where the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. Where the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves;
"Computershare Australia"	Computershare Investor Services Pty Ltd;
"Computershare UK"	Computershare Investor Services PLC;
"Consolidated Minsec Group"	the ongoing consolidated economic entity for accounting purposes being Buka Minerals prior to the Three-Way Merger, Scarborough after the Three-Way Merger and Minsec after the Minsec Scarborough Merger;
"Constitution"	the constitution governing the Company;
"Controlling Participant"	the Australian Broker Participant or Australian Non-Broker Participant that has the capacity in CHESS to transfer the Minsec Shares subject to CDIs;

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"CopperCo Directors" or "CopperCo Board"	the directors of CopperCo whose names are set out in paragraph 2.1 of Part V of this document;
"CopperCo General Meeting"	a general meeting of CopperCo Shareholders held on 16 May 2008;
"CopperCo Group"	CopperCo and its subsidiary undertakings;
"CopperCo Incentive Schemes"	together the 2004 Plan, the 2007 Share Plan and the 2007 Option Plan;
"CopperCo Nominee"	UBS AG, Australia Branch, a foreign company registered in Australia (ARBN 088 129 613), or its affiliate;
"CopperCo Queensland"	CopperCo Queensland Operations Pty Ltd, a company registered in Australia (ACN 120 883 285);
"CopperCo Senior Managers"	those persons whose names are set out in paragraph 2.2 of Part V of this document;
"CopperCo Shareholders"	the holders of CopperCo Shares;
"CopperCo Shares"	ordinary shares in the capital of CopperCo;
"CopperCo Treasury Shares"	CopperCo Shares held by Minsec (being, as at 20 June 2008, approximately 92 million CopperCo Shares);
"Corporations Act"	the Corporations Act 2001 (Commonwealth of Australia);
"CREST"	the relevant system in the UK (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
"CREST Cash Election Electronic Acceptance"	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Cash Election;
"CREST Electronic Acceptance"	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer;
"CREST Manual"	the manual issued by Euroclear from time to time;
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.1. 2001 No. 3755);
"CREST sponsor"	a CREST participant admitted to CREST as a CREST Sponsor;
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member;
"Cyprus Investment Services"	"Investment Services or Activities" or "Ancillary Services" (as such terms are defined in the Cyprus IS Law);
"Cyprus IS Law"	the Investment Services and Activities and Regulated Markets Law of 2007 and any Directives that may be issued from time to time pursuant thereto;
"Danae"	Danae Resources Pty Limited, a company registered in Australia (ACN 009 173 880), formerly Danae Resources NL;
"Due Diligence Material"	the information disclosed by or on behalf of Minsec, including the electronic data room, management presentations and responses to requests for information, to CopperCo (or any of its Representatives) and for the avoidance of doubt excludes any notes, records or information derived from such information by CopperCo or any of its Representatives;
"EEA State"	a member state of the European Economic Area, being a state which is a contracting party to the agreement on the European Economic Area signed at Oporto, Portugal on 2 May 1992;
"Electing Unmarketable Parcel Holders"	Accepting Holders of Unmarketable Parcels that make the Cash Election;
"Enlarged CopperCo Group"	the CopperCo Group as enlarged by the proposed acquisition of the Minsec Shares pursuant to the Offer;
"Ernst & Young (Perth)"	Ernst & Young of 11 Mounts Bay Road, Perth, Western Australia 6000;
"Ernst & Young (UK)"	Ernst & Young LLP of 1 More London Place, London SE1 2EF;
"Escrow Agent"	Computershare UK in its capacity as an escrow agent (as described in the CREST Manual);
"Euroclear"	Euroclear UK & Ireland Limited;
"Expert"	the independent expert appointed by Minsec and CopperCo to fulfill the role of the Panel;

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"Form of Acceptance"	the form of acceptance and authority relating to the Offer which, in relation to Minsec Shares held in certificated form, accompanies the Offer Document;
"Forms of Acceptance"	the Form of Acceptance and CDI Acceptance Form;
"Financial Services Authority" or "FSA"	the Financial Services Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000, as amended, of the United Kingdom;
"GAAP"	Generally accepted accounting practice;
"GEM"	Gympie Eldorado Mining Pty Limited, a company registered in Australia (ACN 110 456 177) (a wholly-owned subsidiary of Buka Gold);
"Glencore"	Glencore International AG;
"GST"	has the meaning given in the GST Act;
"GST Act"	the A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth of Australia);
"Herencia"	Herencia Resources plc, a company registered in England and Wales with company number 5345029 whose shares are admitted to trading on AIM (ticker HER);
"IFRS"	International Financial Reporting Standards;
"Independent Directors of CopperCo"	Brian Rear, Richard Basham and Peter Patrikeos, being the CopperCo Directors who are not Minsec Directors;
"Independent Directors of Minsec"	Robert Champion de Crespigny AC, Sir Bruce MacPhail, Nigel Hamway and Stephen Phipps, being the Minsec Directors who are not CopperCo Directors;
"Indicated Mineral Resource"	That part of mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable degree of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;
"Inferred Mineral Resource"	That part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
"ISIN"	International Securities Identifying Number;
"Issuer Sponsored Holding"	has the meaning given in the ASTC Settlement Rules;
"JORC Code"	the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"KPMG"	KPMG Corporate Finance (Aust) Pty Ltd (ACN 007 363 215);
"Lady Annie Operations"	Lady Annie Operations Pty Ltd, a company registered in Australia (ACN 076 289 097);
"Lady Annie" or the "Lady Annie Project"	the Lady Annie copper project located approximately 120 km north of Mount Isa in Queensland, Australia which is wholly owned by the CopperCo Group;
"Lady Loretta Joint Venture"	the activities being undertaken in relation to the Lady Loretta Project pursuant to a joint venture between Noranda Pacific Pty Limited and Buka Minerals (Lady Loretta No 2) Pty Limited created by an agreement between them dated 25 January 2001;
"Lady Loretta" or "Lady Loretta Project"	the Lady Loretta zinc project in Queensland, Australia which is 25% owned by a wholly-owned subsidiary of Buka Minerals, Buka Minerals (Lady Loretta No 2) Pty Limited;
"LinQ Resources Fund"	a unit trust registered in Australia (ARSN 108 168 190), LinQ Capital Limited (ACN 098 197 258) is the responsible entity of LinQ Resources Fund;
"LME"	the London Metal Exchange;
"London Stock Exchange"	London Stock Exchange plc or its successor;
"Macquarie Bank"	Macquarie Bank Limited a company registered in Australia (ACN 008 583 542);
"Measured Mineral Resource"	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling, and testing

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	information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity;
"MESOS"	the Minsec Executive Share Option Scheme approved by the Minsec Directors on 12 April 2007;
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories;
"Mineral Sands"	Mineral Sands Limited, a company registered in Australia (ACN 103 006 542) whose shares are listed on ASX (ticker MSN);
"Minsec"	Mineral Securities Limited, a company incorporated in the British Virgin Islands (registered number 1390447) whose shares are listed on AIM and ASX (ticker MXX) and/or, as the context may require, one or more indirectly or directly owned subsidiaries of Mineral Securities Limited;
"Minsec Australia"	Mineral Securities Operations Limited (formerly known as Mineral Securities Limited), a company registered in Australia (ACN 091 158 593) and/or, as the context may require, one or more indirectly or directly owned subsidiaries of Mineral Securities Operations Limited;
"Minsec Australia Group"	Minsec Australia and its subsidiaries, including for the period from the Restructuring to the Minsec Scarborough Merger, Minsec BVI;
"Minsec Constitution"	the constitution governing Minsec;
"Minsec Directors"	Robert Champion de Crespigny AC, Keith Liddell, Stephen Phipps, Nigel Hamway, John Moore AO and Sir Bruce MacPhail;
"Minsec Group"	Minsec and its subsidiary undertakings;
"Minsec LTIP"	the Long Term Incentive Plan approved at a general meeting of Minsec held on 12 April 2007;
"Minsec LTIP Beneficiaries"	Keith Liddell and Robert Champion de Crespigny AC;
"Minsec LTIP Shares"	has the meaning set out in paragraph 7.2 of Part I of the document;
"Minsec Optionholders"	the holders of Minsec Share Options;
"Minsec Scarborough Merger"	the business combination completed on 20 July 2007 by which Minsec acquired Scarborough but which for accounting purposes is treated as the acquisition of Minsec Australia by Scarborough;
"Minsec Shareholder(s)"	the holders of Minsec Shares;
"Minsec Share Options"	together all Class B, Class D, Class E and Class F options subsisting over Minsec Shares and all options subsisting over Minsec Shares granted pursuant to the MESOS and the NEDSOS;
"Minsec Shares"	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of no par value in the capital of Minsec and any further ordinary shares of no par value which are unconditionally allotted or issued fully paid (or credited as fully paid) before the date on which the Offer ceases to be open for acceptance (or, with the consent of Minsec, by such other date as CopperCo may decide). For the avoidance of doubt this includes UK DIs and CDIs;
"Minsec Treasury Shares"	Minsec Shares (or UK DIs and CDIs in respect of such shares) held by Minsec (being, as at 20 June 2008 13,961,804 shares held by Mineral Securities Limited;
"MRK"	Multiplex Resources (Kazakhstan) Limited, a company registered in England and Wales with company number 3773661;
"NEDSOS"	the Minsec Non-executive Directors' Share Option Scheme approved by the Minsec Directors on 12 April 2007;
"New CopperCo Shares"	the new CopperCo Shares to be issued, credited as fully paid, in connection with the Offer;
"NiPlats"	NiPlats Australia Limited, a company registered in Australia (ACN 100 714 181) whose shares are listed on ASX (ticker NIP);
"Non-Accepting Unmarketable Parcel Holder"	an Unmarketable Parcel Holder who has not accepted the Offer prior to the Commencement of any Subsequent Acquisition Transaction;

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"Offer"	the recommended offer of even date with this document and made by CopperCo to acquire all of the Minsec Shares on the terms and subject to the conditions set out in Part IV of this document and, in relation to Minsec Shares in certificated form, the Form of Acceptance and, in relation to CDIs, the CDI Acceptance Form (including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer);
"Offer Document"	the document of even date with this document containing the Offer to Minsec Shareholders for their Minsec Shares and, for information purposes only, to Minsec Optionholders;
"Offer Period"	has the meaning given in Section B of Part IV of this document;
"Ore Reserve"	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. Probable Ore Reserve - the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Proved Ore Reserve - is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;
"Overseas Shareholders"	Minsec Shareholders resident in, or citizens or nationals of, jurisdictions outside the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus or (if such person is an "accredited investor" as defined in Regulation D) the United States or who are nominees of, or custodians, trustees or guardians for, citizens or nationals of such jurisdictions;
"Panel"	the United Kingdom Panel on Takeovers and Mergers;
"Platmin"	Platmin Limited, a company incorporated in Canada with corporate number 610178-0 and listed on AIM and the TSX (ticker PPN);
"pounds", "pounds sterling" "£" or "pence"	the lawful currency of the United Kingdom;
"Proposed CopperCo Senior Managers"	those persons whose names are set out in paragraph 2.3 of Part V of this document;
"Prospectus Rules"	the prospectus rules made for the purposes of Part VI of the FSMA published by the FSA;
"Public Authority"	(a) a government, whether foreign, federal, state, territorial or local; (b) a department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or (c) a commission, delegate, instrumentality, agency, board or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local, and includes the Australian Takeovers Panel, the Panel, ASIC, ASX, the London Stock Exchange and the BVI corporate regulatory authority;
"Record Date"	26 June 2008;
"Registrar"	the entities set out on page 15 of this document;
"Regulation D"	Regulation D under the Securities Act;
"Regulation S"	Regulation S under the Securities Act;

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"Regulatory Information Service"	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange's website;
"Related Bodies Corporate"	has the meaning given in the Corporations Act;
"Relevant Interest"	has the meaning given in the Corporations Act;
"Representatives"	in respect of a party, its Subsidiaries and Related Bodies Corporate, or a director, officer, employee, advisor, agent or representative of that party or its Subsidiaries or Related Bodies Corporate;
"Restricted Jurisdiction"	Canada, Japan and any jurisdiction where local law or regulations may result in a significant risk of civil, regulatory or criminal exposure or prosecution if information concerning the Offer is sent or made available to Minsec Shareholders in that jurisdiction;
"Restricted Securities"	has the meaning given in the ASX Listing Rules;
"Sappes"	the Sappes gold project, held by Thrace Minerals SA, a wholly owned subsidiary of Minsec;
"Savannah Resources"	Savannah Resources Pty Ltd, a company registered in Australia (ACN 096 358 735);
"Scarborough"	Scarborough Minerals plc (previously Greenwich Resources plc), a company registered in England and Wales under number 1862971;
"SEC"	the United States Securities and Exchange Commission;
"Securities Act"	the US Securities Act 1933 (as amended);
"Subsequent Acquisition Transaction"	has the meaning given in paragraph 11 of the Summary;
"subsidiary", "subsidiary undertaking" or "associate"	save where otherwise stated, have the respective meanings given to them by the 1985 Act;
"TFE Instruction"	a transfer from escrow instruction (as defined in the CREST Manual);
"Three-Way Merger"	the business combination which was effective at the close of business on 19 April 2006 whereby Greenwich Resources plc acquired Buka Minerals and Danae;
"Three-Way Merger Prospectus"	the prospectus dated 28 February 2006 which was issued by Greenwich Resources plc in connection with the Three-Way Merger;
"Tianshan"	Tianshan Goldfields Limited, a company registered in Australia (ACN 099 544 680) whose shares are listed on ASX and AIM (ticker TGF);
"Transaction Period"	the period of time from the date of the Offer Document until the Closing Date;
"TSX"	Toronto Stock Exchange;
"TTE Instruction"	a transfer to escrow instruction (as defined in the CREST Manual);
"UBS"	UBS AG;
"UK Depositary Interests" or "UK DIs"	a depositary interest issued in the UK representing an underlying Minsec Share and settled in CREST;
"UK Depositary Interest Holder" or "UK DI Holder"	a holder of a UK Depositary Interest or UK DI;
"UK Resident"	resident for tax purposes in the United Kingdom;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland and its dependent territories;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
"Unmarketable Parcel Holder"	has the meaning set out in paragraph 12 of the Summary;
"US Business Day"	a day, (other than a public holiday, Saturday or Sunday) on which clearing banks of the City of New York, USA are open for business;
"US$"	the lawful currency of the United States;
"US Holder"	a beneficial owner of Minsec Shares that is: (i) a citizen or resident of the US for US federal income tax purposes; (ii) a corporation (or other entity taxable as a corporation) created or organised in the US or under the laws of the US or of any political subdivision thereto; (iii) an estate whose income is includable in gross income for US federal income tax purposes regardless of its source; or (iv) a trust if a court

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	within the US is able to exercise primary supervision of the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust or a trust that has a valid election in effect to be treated as a US Person;
"US Person"	a US person as defined in Regulation S;
"VAT"	UK value added tax;
"Vale"	Companhia Vale do Rio Doce;
"Vostok"	the copper exploration project in Southern Kazakhstan held by MRK, in which Minsec holds a 15% interest;
"Xstrata"	Xstrata plc, a company registered in England and Wales under 04345939;
"Zambezi"	Zambezi Resources Limited, a company registered in Bermuda whose shares are listed on ASX and AIM (ticker ZRL);
"Zarmitan"	the Zarmitan gold project, in which Multiplex Development Zarmitan Limited, a wholly owned subsidiary of Minsec is interested;

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Designed by Integratedconcept





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OFFER DOCUMENT

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Minsec Shares, please forward this document and the accompanying documentation as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded, transmitted or distributed in or into any Restricted Jurisdiction if to do so would constitute, or cause the Offer to constitute, a violation of the relevant securities laws of such other jurisdiction. If you have sold or otherwise transferred only part of your Minsec Shares, you should retain these documents.

The distribution of this document in jurisdictions other than the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland and Cyprus may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your Minsec Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The New CopperCo Shares to be issued in connection with the Offer have not been, and will not be, registered under the Securities Act or under the securities laws of any state, district or other jurisdiction of the United States. The New CopperCo Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration under the Securities Act or an exemption from the registration requirements. The Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who acquire the New CopperCo Shares in transactions exempt from the registration requirements of the Securities Act and who also agree to resell such securities only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or in a transaction not subject to registration under the Securities Act. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New CopperCo Shares or passed an opinion on the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.** This document has been prepared pursuant to rules and requirements other than those promulgated under the United States federal securities laws and may not contain disclosures customary, expected or required in securities transactions prepared pursuant to US rules and requirements.

This document should be read in conjunction with the Forms of Acceptance (if your Minsec Shares are held in certificated form or CDIs), the Prospectus Equivalent Document relating to CopperCo which has been prepared pursuant to sub-section 1.2.2(2) and 1.2.3(3) of the Prospectus Rules and vetted by the FSA, the terms of which are deemed to form part of the Offer and, where relevant, the Australian Prospectus. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

The existing CopperCo Shares are currently quoted on the ASX and an application will be made for quotation of the New CopperCo Shares within seven days of the date of this document. It is expected that, if the Offer becomes or is declared wholly unconditional on 22 September 2008 (being the latest date by which all conditions must be satisfied and subject to any extention in accordance with the terms and conditions of the Offer), the New CopperCo Shares will be issued no later than 6 October 2008. The New CopperCo Shares will rank *pari passu* in all respects with the existing CopperCo Shares. No application has been made or will be made for the New CopperCo Shares to be quoted, admitted to listing or dealt with on any other exchange.

Recommended Share Offer

by

CopperCo Limited

(incorporated in Australia with Australian Company Number 004 434 904)

for

Mineral Securities Limited

(incorporated in the British Virgin Islands with registered number 1390447)

Your attention is drawn to the letter on behalf of the Independent Directors of Minsec, which is set out in Part I of this document, which contains the unanimous recommendation of the Independent Directors of Minsec that you accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo.

To accept the Offer in respect of Minsec Shares held in certificated form, the Form of Acceptance should be completed, signed, witnessed (in the case of an individual) and returned along with your share certificate(s) or other document(s) of title as soon as possible and, in any event, so as to arrive no later than 10.00 a.m. (London time) on 1 August 2008, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS13 8AE. A reply-paid envelope for use within the United Kingdom is enclosed for your convenience. The procedure for acceptance of the Offer is contained in paragraph 15(a) of the letter from the Independent Directors of CopperCo set out in Part II of this document. This document should be read in conjunction with the Form of Acceptance.

To accept the Offer in respect of Minsec Shares held as UK DIs (that is, in CREST) you must make your acceptance electronically through CREST so that the TTE Instruction settles no later than 10.00 a.m. (London time) on 1 August 2008. The procedure for acceptance of the Offer is contained in paragraph 15(b) of the letter from the Independent Directors of CopperCo set out in Part II of this document. If you are a CREST sponsored member, you must refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear to enable you to accept the Offer.

To accept the Offer in respect of Minsec Shares held as CDIs, the CDI Acceptance Form should be completed in accordance with the instructions printed on the CDI Acceptance Form, signed and returned, either by post or by hand (during normal business hours) to Computershare Australia at the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to be received later than 10.00 a.m. (London time) on 1 August 2008. The procedure for acceptance of the Offer is contained in paragraph 15(c) of the letter from the Independent Directors of CopperCo set out in Part II of this document.

Unmarketable Parcel Holders that wish to make the Cash Election should refer to the procedure for acceptance of the Offer contained in paragraph 15 of the letter from the Independent Directors of CopperCo set out in Part II of this document.

UBS is acting exclusively for CopperCo and no one else in connection with the Offer and will not be responsible to anyone other than CopperCo for providing the protections afforded to clients of UBS or for providing advice in relation to the Offer, the issue of New CopperCo Shares, or any other arrangement or matter referred to herein. UBS is not acting as sponsor under the listing rules of the UK Financial Services Authority and accepts no responsibility whatsoever (whether arising in tort, contract or otherwise) for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with CopperCo, the New CopperCo Shares or the Offer.

Cutfield Freeman, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for Minsec and no one else in relation to the Offer and will not be responsible to anyone other than Minsec for providing the protections afforded to clients of Cutfield Freeman or for providing advice in relation to the Offer or any other matters referred to in this document.

The Offer is not being, and will not be, made directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or by any facility of, a national, state or other securities exchange any Restricted Jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer cannot be accepted and will

not be capable of acceptance by any such use, means, instrumentality or facilities from or within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance, the CDI Acceptance Form and the Prospectus Equivalent Document and any related documents to the Offer are not being, and must not be, in whole or in part, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from, any Restricted Jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means, instrumentality or facility and persons receiving such document and persons receiving this document and any related document (including, without limitation, custodians, nominees and trustees) must not directly or indirectly mail or otherwise forward, distribute or send them, in whole or in part, in, into or from any other Restricted Jurisdiction where to do so would constitute a violation of the relevant laws of any such jurisdiction.

The New CopperCo Shares have not been, nor will they be, registered under the Securities Act or under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New CopperCo Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into a Restricted Jurisdiction or for the account or benefit of any person located in a Restricted Jurisdiction.

CopperCo shall not in relation to the New CopperCo Shares:

(a) provide from within Cyprus, Cyprus Investment Services to any person;

(b) provide from outside Cyprus, Cyprus Investment Services to Cyprus residents or persons domiciled in Cyprus; or

(c) conclude in Cyprus any transaction relating to such Cyprus Investment Services in contravention of the Cyprus IS Law and its regulations.

The Offer is not being made to persons within or in Cyprus except in compliance with the provisions of the Public Offer and Prospectus Law (Law 114 (I)/2005) and the Companies Law, Cap 113 of the Laws of Cyprus as amended from time to time.

Without prejudice to the preceding paragraphs, the New CopperCo Shares shall not be advertised, offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal and non-legal entities) resident, incorporated, established, domiciled or having their usual residence in Cyprus or to any such person located within the territory of Cyprus except to the extent permitted by and in accordance with Cyprus law and regulations.

The availability of the Offer to Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident. Persons who are not resident in the United Kingdom or Australia should inform themselves about, and observe, any applicable legal or regulatory requirements of those jurisdictions. If you are an Overseas Shareholder and you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

The contents of this document should not be construed as legal, financial or tax advice. Each Minsec Shareholder should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Terms shall have the meanings ascribed to them in Appendix IV of this document.

All references to time in this document are to London time unless otherwise stated.

Copies of this document, the Prospectus Equivalent Document, and the Forms of Acceptance are available for collection, free of charge during normal business hours, from the offices of CopperCo Limited, Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia 6000 and Mineral Securities Limited, 14 Golden Square, London W1F 9JF.

Any person (including, without limitation, any nominee, trustee or custodian) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this document and/or the Forms of Acceptance and/or any other documents related to the Offer to any jurisdiction outside the United Kingdom or Australia should read paragraph 14 of the letter from the Independent Directors of CopperCo set out in Part II of this document and paragraph 7 of Section B of Part IV of the Prospectus Equivalent Document and you should take appropriate advice before taking any action.

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FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document, contains statements about Minsec, the Offer, CopperCo and the Enlarged CopperCo Group that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims', 'intends', 'will', 'may', 'anticipates', 'estimates', 'projects', or words or terms of similar substance or the negative thereof identify forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Minsec's, CopperCo's or the Enlarged CopperCo Group's operations; and (iii) the effects of government regulation on Minsec's, CopperCo's or the Enlarged CopperCo's Group's business.

These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Minsec or CopperCo. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Minsec or CopperCo or any of their members or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document are based on information available to the relevant parties on the date hereof. Investors should not place undue reliance on such forward-looking statements, and neither Minsec, CopperCo nor their directors undertaking any obligation in respect of, and do not intend to update or revise any forward-looking statements except as required by the City Code or pursuant to applicable law.

PROFIT FORECASTS

Nothing in this document is intended, or is to be construed, as a profit forecast or is to be interpreted to mean the earnings per Minsec Share for the current or future years, or those of the Enlarged CopperCo Group, will necessarily match or exceed the historical published earnings per Minsec Share.

DEALING DISCLOSURE REQUIREMENTS

The disclosure requirements under Rule 8.1 and 8.3 of the City Code, if any person or their "associate" is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Minsec, have been disapplied by the board of directors of Minsec as authorised pursuant to the Minsec Constitution.

TIMETABLE OF EVENTS

Event	*Time/date*
Record date for determining whether a Minsec Shareholder is an Unmarketable Parcel Holder	5.00 p.m. (Australian EST) on 26 June 2008
First closing date of the Offer	10.00 a.m. on 1 August 2008
Earliest date the Offer can close for acceptances	10.00 a.m. on 15 August 2008[1]
Latest date the Offer can become unconditional as to acceptances	10.00 a.m. on 1 September 2008
Latest date by which all conditions must be satisfied	10.00 a.m. on 22 September 2008[2]
Latest date New CopperCo Shares can be despatched	10.00 a.m. on 6 October 2008[3]
Latest date cash pursuant to the Cash Election can be despatched	10.00 a.m. on 15 November 2008[4]

[1] Assumes that the Offer is declared unconditional as to acceptances following the first closing date of the Offer.

[2] Assumes that the Offer is declared unconditional as to acceptances on the latest possible date.

[3] Assumes that the Offer is declared wholly unconditional on the latest possible date and receipt of an acceptance complete in all respects.

[4] Assumes that the Offer is declared wholly unconditional on the latest possible date, receipt of an acceptance complete in all respects and the New CopperCo Shares being issued to the CopperCo Nominee on the latest date New CopperCo Shares can be despatched.

These times and dates are indicative only. The period during which the Offer is open for acceptance may be extended by CopperCo in certain circumstances (see the terms and conditions of the Offer in Part IV of the Prospectus Equivalent Document).

If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement through a Regulatory Information Service in the UK and an ASX announcement.

Unless otherwise stated, all references in this document to times are to **London times**.

ACTION TO BE TAKEN TO ACCEPT THE OFFER

1. If you hold your Minsec Shares in certificated form:

(a) complete the Form of Acceptance in accordance with the instructions printed thereon and in paragraph 15(a) of the letter from the Independent Directors of CopperCo set out in Part II of this document; and

(b) return the completed, signed and witnessed (in the case of an individual) Form of Acceptance (together with your share certificate(s) and any other document(s) of title) by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS13 8AE as soon as possible and, in any event, so as to be received by Computershare UK not later than 10.00 a.m. (London time) on 1 August 2008.

2. If you hold your Minsec Shares as UK DIs (that is, in CREST), you should follow the procedures set out in paragraph 15(b) of the letter from the Independent Directors of CopperCo in Part II of this document and send (or procure that there is sent) a TTE Instruction(s) to settle not later than 10.00 a.m. (London time) on 1 August 2008. If you are a CREST sponsored member, you must refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

3. If you hold your Minsec Shares as CDIs, you should complete the CDI Acceptance Form in accordance with the instructions printed on the CDI Acceptance Form and sign and return it, either by post or by hand (during normal business hours), to Computershare Australia at the address stated on the CDI Acceptance Form as soon as possible but, in any event, so as to be received not later than 10.00 a.m. (London time) on 1 August 2008. The procedure for acceptance of the Offer is set out in paragraph 15(c) of the letter from the Independent Directors of CopperCo set out in Part II of this document.

Unmarketable Parcel Holders that wish to make the Cash Election should refer to the procedure for acceptance of the Offer contained in paragraph 15 of the letter from the Independent Directors of CopperCo set out in Part II of this document.

The first closing date of the Offer is 10.00 a.m. (London time) on 1 August 2008.

Minsec Shareholders who have any questions in relation to the Offer are requested to contact Minsec's helpline on the following numbers between 9.00 a.m. and 3.00 a.m. (Australian EST) and midnight and 6.00 p.m. (London time) on any Business Day:

(a)	**Australia-wide toll free number**	**1800 65 65 06**
(b)	**UK toll free number**	**0808 234 2505**
(c)	**Overseas (non-UK)**	**+61 2 9207 3783**

Please note for that, for legal reasons, Minsec's helpline cannot provide financial advice or advice on the merits of the Offer.

This page should be read in conjunction with the rest of this document and: (i) in the case of those Minsec Shareholders who hold their Minsec Shares in certificated form, the Form of Acceptance; and (ii) in the case of those Minsec Shareholders who hold their Minsec Shares as CDIs, the CDI Acceptance Form. Your attention is drawn to Part IV of the Prospectus Equivalent Document which contains the conditions and further terms to the Offer. Minsec Shareholders are recommended to seek financial advice from their independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor in the relevant jurisdiction.

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PART I

LETTER ON BEHALF OF THE INDEPENDENT DIRECTORS OF MINSEC

Mineral Securities Limited

(Incorporated and registered in the British Virgin Islands with registered number 1390447)

Directors:
R J Champion de Crespigny AC *(Chairman)* *
K S Liddell *(Chief Executive Officer and Managing Director)*
Sir Bruce MacPhail *(Senior Non-Executive Director)* *
N J Hamway *(Non-Executive Director)* *
Hon. J C Moore AO *(Non-Executive Director)*
S L Phipps *(Non-Executive Director)* *

* Independent Directors of Minsec

Registered office:
c/o Codan Trust Company (B.V.I.) Ltd
Romasco Place
Wickhams Cay
Road Town
Tortola
British Virgin Islands VG1110

30 June 2008

To all Minsec Shareholders and, for information purposes only, to Minsec Optionholders and Minsec LTIP Beneficiaries

Dear Minsec Shareholder,

RECOMMENDED SHARE OFFER BY COPPERCO FOR MINSEC

1. Introduction

On 29 January 2008 it was announced that agreement had been reached to merge Minsec and CopperCo and that the merger would take place by way of a recommended offer by CopperCo for all of the Minsec Shares. This document is the formal offer by CopperCo for all of the Minsec Shares.

The terms of the Offer have been considered by the Independent Directors of Minsec (being Sir Bruce MacPhail, Nigel Hamway, Stephen Phipps and myself). The Minsec Directors who are CopperCo Directors (Keith Liddell and Hon. John Moore AO) have not made a recommendation in respect of the Offer.

The purpose of this letter is to set out the background to the Offer and to explain why the Independent Directors of Minsec, who have been so advised by Cutfield Freeman, consider the terms of the Offer to be fair and reasonable and why they are unanimously recommending that Minsec Shareholders accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo.

Acceptance of the Offer should be despatched as soon as possible and in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008. Instructions as to how to accept the Offer are set out in paragraph 12 of this letter, in paragraph 15 of the letter from the Independent Directors of CopperCo set out in Part II of this document, and in the case of Minsec Shares in certificated form, in the Form of Acceptance and, in the case of Minsec Shares held as CDIs, the CDI Acceptance Form.

2. The Offer

The Offer, which is made on the terms and subject to the conditions set out or referred to in this document and, as appropriate, in the Forms of Acceptance, for the entire issued and to be issued share capital of Minsec is made on the following basis:

for each Minsec Share	**2.2 New CopperCo Shares**

Details of the offer statistics are set out in paragraph 2 of the letter from the Independent Directors of CopperCo contained in Part II of this document.

Please read carefully the procedure for acceptance of the Offer which is set out in paragraph 12 of this letter and paragraph 15 of the letter from the Independent Directors of CopperCo contained in Part II of this document and, as appropriate, the Forms of Acceptance.

The Offer will initially remain open for acceptance until 1 August 2008 but may be extended in accordance with the provisions of the Minsec Constitution and the terms and conditions of the Offer set out or referred to in this document.

3. Unmarketable shareholdings

Details of the offer being made to Minsec Shareholders whose holdings do not fall within the ASX's definition of marketable parcel (i.e. have a value of less than or equal to A$500) and the availability of the Cash Election to such Minsec Shareholders are set out in paragraph 3 of the letter from the Independent Directors of CopperCo contained in Part II of this document.

4. Irrevocable undertakings

The Minsec Directors have given irrevocable undertakings to accept the Offer in respect of any Minsec Shares which they currently hold or may after the date of their undertaking become the registered holder and beneficial owner and to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares held by themselves and/or certain specified relatives.

The undertakings remain binding unless there is, *inter alia*, a superior proposal or a material adverse change in CopperCo.

Further details of these irrevocable undertakings are set out in paragraph 5 of Appendix III of this document.

5. Background to and reasons for recommending the Offer

Minsec's strategy has been to build a 21st century mining house that owns and controls resource assets at all stages, from exploration to production. In addition to holdings in listed companies, Minsec holds exploration properties and joint venture interests in its own right. The proposed merger of Minsec and CopperCo is the next logical step in the implementation of Minsec's strategy and is a key means to unlocking the significant intrinsic value of Minsec's portfolio of assets. It will also enable Minsec to gain access to a cash flow producing asset, the Lady Annie Project.

Minsec's listed investments include an 18% (approximately) shareholding in CopperCo.

Further information about CopperCo is set out in paragraph 5 of the letter from the Independent Directors of CopperCo contained in Part II of this document and in the Prospectus Equivalent Document.

The Enlarged CopperCo Group will be a diversified global resources company, with interests in base and precious metals including copper, zinc, lead, platinum and gold.

The Independent Directors of Minsec believe that the Offer is in the best interests of Minsec Shareholders because:

(a) it provides them with an increased share of the Lady Annie Project which, as a low-cost copper producer, the Independent Directors of Minsec expect to generate significant cashflows over the coming years and also to reduce the holding company discount to net asset value that has historically applied to Minsec's share price;

(b) the Independent Directors of both Minsec and CopperCo believe that the presence of the Lady Annie infrastructure adjacent to the Lady Loretta Project, in which Minsec has a 25% interest, should also result in synergy opportunities for the Enlarged CopperCo Group;

(c) it will pool the skilled human resources of Minsec and CopperCo at a time when both the Independent Directors of Minsec and the Independent Directors of CopperCo believe mineral resource sector skills to be at a premium globally;

(d) the Enlarged CopperCo Group will have an enlarged equity market presence providing improved liquidity for Minsec Shareholders, enhanced access to capital (both equity and debt) for the Enlarged CopperCo Group and a better position to pursue further consolidation and investment opportunities; and

(e) the outlook for the core commodities of the merged group going forward (in particular copper, platinum and gold) is very positive. Since announcing the merger, the price of platinum, Minsec's most important commodity, has risen to record levels while copper has approached historical highs.

The Independent Directors of Minsec further consider that the increased access to capital (from both external sources and generated from operations) should provide Minsec Shareholders with:

(a) a lower cost of capital when the A$45,000,000 loan facility from Macquarie Bank is refinanced in December 2008;

(b) greater opportunity to increase existing stakes in other businesses such as Platmin; and

(c) a more stable environment to pursue value enhancing cash generation from non-core assets.

6. Current trading and working capital position of Minsec

On 30 May 2008, Minsec announced its results for the six months ended 31 March 2008 and a copy of those results is included in Section F of Part II of the Prospectus Equivalent Document. The notes to the accounts drew attention to the basis of preparation and specifically an assumption that Minsec will be able to continue to fund its working capital needs from asset sales, new equity or the extension of debt facilities. As set out above, the Independent Directors of Minsec believe that the Acquisition will permit the refinancing of Minsec's A$45,000,000 facility in December 2008 on more favourable terms. However, all the Independent Directors of Minsec are confident that should the Acquisition not proceed, Minsec will be able to refinance the debt in whole or in part and that Minsec will be able to fund the repayment of any remaining debt from the proceeds of assets disposals and/or the issue of new equity.

7. Management and employees

The Independent Directors of CopperCo have given assurances to the Independent Directors of Minsec that the existing employment rights of all the employees of the Minsec Group including pension rights, will be fully safeguarded in all material respects if the Offer is declared wholly unconditional. CopperCo's decision to invite any of the current Minsec Independent Directors to join the CopperCo Board has been deferred until after the completion of the Offer. This was publically announced by Minsec on 6 June 2008.

8. Minsec Share Options and Minsec LTIP

You attention is drawn to paragraph 4 of the letter from the Independent Directors of CopperCo in Part II of this document that summarises the arrangements entered into with the Minsec Optionholders and the Minsec LTIP Beneficiaries (of whom I am one).

9. City Code on Takeovers and Mergers

The Offer does not fall within the ambit of the City Code on Takeovers and Mergers and is outside the jurisdiction of the Panel as Minsec is incorporated and registered in the British Virgin Islands.

While the Minsec Constitution contains provisions concerning conducting the Offer in accordance with the City Code on Takeovers and Mergers, you should note that you will not have the benefit or the protection that the City Code provides.

As permitted by the Minsec Constitution, the Board of Minsec has consented to certain deviations from the requirements of the City Code on Takeovers and Mergers. Details of those deviations are set out in paragraph 9 of Appendix III to this document. Subject to those and any further agreed deviations, Minsec and CopperCo intend to conduct the Offer in accordance with the City Code.

10. Taxation

Your attention is drawn to paragraphs 11 to 13 of the letter from the Independent Directors of CopperCo in Part II of this document. If you are in any doubt as to your own tax position, you should immediately consult an appropriate professional advisor.

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11. Overseas Shareholders

If you are an Overseas Shareholder, your attention is drawn to paragraph 14 of the letter from the Independent Directors of CopperCo set out in Part II of this document.

12. Action to be taken to accept the Offer

Your attention is drawn to paragraph 15 of the letter from the Independent Directors of CopperCo set out in Part II of this document and, in respect of Minsec Shares held in certificated form, to the Form of Acceptance and, in respect of Minsec Shares held as CDIs, to the CDI Acceptance Form, which set out the procedures for acceptance of the Offer.

In order to accept the Offer in respect of **Minsec Shares in certificated form**, you should complete, sign, have witnessed (in the case of an individual) and return the Form of Acceptance together with the relevant share certificate(s) or other documents of title, in accordance with the instructions printed thereon by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or (during normal business hours only) by hand to The Pavilions, Bridgewater Road, Bristol BS13 8AE as soon as possible but in any event, so as to be received no later than 10.00 a.m. (London time) 1 August 2008 or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document.

Unmarketable Parcel Holders who hold their Minsec Shares in certificated form and that wish to make the Cash Election should complete Box 2 in the Form of Acceptance.

In order to accept the Offer in respect of **Minsec Shares held as UK DIs (that is, held in CREST)**, you should ensure that an Electronic Acceptance is made by you or on your behalf so that the TTE Instruction settles no later than 10.00 a.m. (London time) on 1 August 2008. The procedure for acceptance of the Offer is set out in paragraph 15(b) of the letter from the Independent Directors of CopperCo set out in Part II of this document. If you are a CREST sponsored member, you must refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear to enable you to accept the Offer.

Unmarketable Parcel Holders who hold their Minsec Shares as UK DIs and that wish to make the Cash Election should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) to Euroclear, a TTE instruction in relation to such shares.

If you hold your **Minsec Shares as CDIs**, you should complete the CDI Acceptance Form in accordance with the instructions printed thereon or contact your Controlling Participant. The procedure for acceptance of the Offer is set out in paragraph 15(c) of the letter from the Independent Directors of CopperCo set out in Part II of this document.

Unmarketable Parcel Holders who hold their Minsec Shares as CDIs and that wish to make the Cash Election should either mark Box 2 in the CDI Acceptance Form or advise their Controlling Participant, as appropriate.

If you are in any doubt as to the action you should take, you should seek your own independent financial advice, if you are resident in the United Kingdom, from a person duly authorised under the Financial Services and Markets Act 2000 or, if not, from another appropriately qualified independent financial adviser.

13. Further information

Your attention is drawn to the letter from the Independent Directors of CopperCo set out in Part II of this document, the Appendices to this document, the Prospectus Equivalent Document and, for Minsec Shares held in certificated form, the Form of Acceptance, and for Minsec Shares held as CDIs, the CDI Acceptance Form.

14. Recommendation

The terms of the Offer have been considered by the Independent Directors of Minsec, being the Minsec Directors who are not CopperCo Directors. As directors of both Minsec and CopperCo, with interests in both companies, Keith Liddell and Hon. John Moore AO have not made a recommendation in respect of the Offer.

The Independent Directors of Minsec, who have been so advised by Cutfield Freeman, consider the terms of the Offer to be fair and reasonable. In providing financial advice to the Independent Directors of Minsec, Cutfield Freeman has taken into account the commercial assessments of the Independent Directors of Minsec.

Accordingly, the Independent Directors of Minsec unanimously recommend that Minsec Shareholders accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo.

The Minsec Directors have given irrevocable undertakings to CopperCo to accept, procure the acceptance of or use reasonable endeavours to procure the acceptance of, the Offer by no later than 10 Business Days after the date this document is posted, in respect of, in aggregate, 20,647,283[1] Minsec Shares representing approximately 13%[2] of the existing issued ordinary share capital of Minsec in the absence of a superior proposal or a material adverse change in CopperCo.

Yours faithfully



Robert J Champion de Crespigny AC
Chairman

For and on behalf of the Independent Directors of Minsec

[1] Including the 6,144,000 shares to be received under the Minsec LTIP settlement.

[2] Assuming the cancellation of the Minsec Treasury Shares has taken place and including the 6,144,000 shares to be recovered under the Minsec LTIP settlement.

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PART II

LETTER ON BEHALF OF THE INDEPENDENT DIRECTORS OF COPPERCO

CopperCo Limited

(Incorporated and registered in Australia with registered number 004 434 904)

Directors:
K Liddell *(Non-Executive Chairman)*
B Rear *(Managing Director)* *
R Basham *(Non-Executive Director)* *
Hon. J Moore AO *(Non-Executive Director)*
P Patrikeos *(Non-Executive Director)* *

Registered office:
Level 22
77 St Georges Terrace
Perth
WA 6000
Australia

* Independent Directors of CopperCo

30 June 2008

To all Minsec Shareholders and, for information purposes only, to Minsec Optionholders and Minsec LTIP Beneficiaries

Dear Minsec Shareholder,

RECOMMENDED SHARE OFFER BY COPPERCO FOR MINSEC

1. Introduction

On 29 January 2008, it was announced that agreement had been reached to merge CopperCo and Minsec and that the merger would take place by way of a recommended offer by CopperCo for all of the Minsec Shares.

Your attention is drawn to the letter from the Independent Directors of Minsec in Part I of this document which sets out the reasons why the Independent Directors of Minsec, who have been so advised by Cutfield Freeman, consider the terms of the Offer to be fair and reasonable and why they are unanimously recommending Minsec Shareholders to accept the Offer in the absence of a superior proposal or a material adverse change in CopperCo.

This letter, Part IV of the Prospectus Equivalent Document (which contains the conditions to and terms of the Offer) and, as appropriate, the Forms of Acceptance, contain the formal terms and conditions of the Offer for your Minsec Shares.

The making of the Offer has been considered by the Independent Directors of CopperCo (being Richard Basham, Peter Patrikeos and myself). The CopperCo Directors who are Minsec Directors (being Keith Liddell and Hon. John Moore AO) have not participated and will not participate in the consideration by the Board of CopperCo of the Offer and have not, in their capacities as Minsec Directors, made a recommendation in respect of the Offer.

Acceptance of the Offer should be despatched as soon as possible and in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008. Instructions as to how to accept the Offer are set out in paragraph 15 of this letter and, as appropriate, in the Forms of Acceptance.

2. The Offer

CopperCo hereby offers to acquire, on the terms and subject to the conditions set out or referred to in this document and, as appropriate, in the Forms of Acceptance, the entire issued and to be issued ordinary share capital of Minsec, on the following basis:

for each Minsec Share	2.2 New CopperCo Shares

The Offer will initially remain open for acceptance until 10.00 a.m. (London time) on 1 August 2008, but may be extended in accordance with the Minsec Constitution and the terms and conditions of the Offer contained and referred to in this document.

Fractions of New CopperCo Shares will not be allotted or issued pursuant to the Offer. Fractional entitlements to New CopperCo Shares will be rounded down to the nearest whole number.

The CopperCo Shares are currently quoted on the ASX and an application will be made to the ASX for quotation of the New CopperCo Shares on the ASX. The New CopperCo Shares will, when issued, rank *pari passu* in all respects with the existing CopperCo Shares.

Valuation of the Offer as at 20 June 2008

Based on the closing price of CopperCo Shares on the ASX on 20 June 2008 (being the latest practicable date prior to the publication of this document) of A$0.60:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$208 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries pursuant to the arrangements described in paragraph 4 of this Part II, gives a value of approximately A$222 million;
- the Offer values each Minsec Share at A$1.32 which equates to a premium of approximately 13.8% to A$1.16 (being the price at which Minsec Shares last traded on the ASX on 20 June 2008 the latest practicable date prior to the publication of this document); and

- the Offer equates to premiums of approximately 13.6% and 9.5% to the average Closing Prices on AIM of 56 pence per Minsec Share and of 58 pence per Minsec Share over the three and six months respectively prior to the date of this document assuming an exchange rate of 0.4824 (£:A$).

Valuation of the Offer as at 25 January 2008

Based on the closing price of CopperCo Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$0.65:

- the Offer values the existing issued share capital of Minsec (excluding the Minsec Treasury Shares) at approximately A$225 million which, when added to the value attributable on the same basis to the New CopperCo Shares to be issued to the Minsec Optionholders and the Minsec LTIP Beneficiaries pursuant to the arrangements described in paragraph 4 of this Part II, gives a value of approximately A$241 million;
- the Offer values each Minsec Share at A$1.43 which equates to a premium of approximately 2.1% to A$1.40 (being the price at which Minsec Shares last traded on the ASX on the last Australian business day prior to the date of the Announcement); and
- the Offer equates to a premium of approximately 5.9% to £0.605 (being the price at which Minsec Shares last traded on AIM on the last Business Day prior to the date of the Announcement and assuming an exchange rate of 0.4479 (£:A$)).

Number of CopperCo Shares to be issued

In aggregate, the maximum number of New CopperCo Shares that will be issued to Minsec Shareholders pursuant to the Offer (including the New CopperCo Shares to be issued to the Minsec Optionholders and to the Minsec LTIP Beneficiaries in accordance with the arrangements described in paragraph 4 of this Part II) will be 370,362,515. Assuming acceptance in full of the Offer and the implementation in full of the arrangements described in paragraph 4 of this Part II with the Minsec Optionholders and the Minsec LTIP Beneficiaries, existing CopperCo Shareholders will hold approximately 52.8% and the Minsec Shareholders, the Minsec Optionholders and the Minsec LTIP Beneficiaries will together hold approximately 47.2% of the enlarged issued ordinary share capital of CopperCo (based on: (i) the issued ordinary share capital of CopperCo, excluding the CopperCo Treasury Shares; and (ii) the issued ordinary share capital of Minsec, excluding the Minsec Treasury Shares, in each case as at 20 June 2008, the latest practicable date prior to the publication of this document). In the 12 months following completion of the Acquisition, the percentages given above may differ depending on the ultimate treatment of approximately 92 million CopperCo Treasury Shares (further information on the treatment of the CopperCo Treasury Shares is set out in paragraph 5 of this Part II).

Clear title

The Minsec Shares will be acquired by CopperCo fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other interests and third party rights together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends and other distributions (if any) declared, paid or made in the future.

Conditions to the Offer

The Offer can only become effective if all of the conditions to the Offer, as set out in Part IV of the Prospectus Equivalent Document, have been satisfied or waived (to the extent permissible). Those conditions include, *inter alia*, the acceptance of the Offer by holders of at least 80% of the Minsec Shares (or such lower percentage as CopperCo may decide, subject to it not being lower than 50%) and the approval by CopperCo Shareholders of various aspects of the Offer. That approval by CopperCo Shareholders was obtained at an extraordinary general meeting of CopperCo held on 16 May 2008.

3. Unmarketable shareholdings

Minsec has a very large number of shareholders whose holdings do not fall within the ASX's definition of a marketable parcel (i.e. holdings with a value of not less than A$500). The Minsec Constitution includes provisions similar to those in the ASX Listing Rules, which allow it to compulsorily sell the Minsec Shares held by an Unmarketable Parcel Holder and remit the cash proceeds to the Unmarketable Parcel Holder.

The record date for determining whether a Minsec Shareholder is an Unmarketable Parcel Holder was 5 p.m. (Australian EST) on 26 June 2008 (the "Record Date"). To qualify as an Unmarketable Parcel Holder a Minsec Shareholder must be recorded on the Minsec register of members with a holding of 442 Minsec Shares or less as at the Record Date and continue to hold such number of Minsec Shares as at the date the Offer is declared unconditional in all respects.

So as to obviate the need to issue New CopperCo Shares to Unmarketable Parcel Holders who do not accept the Offer, should the Offer become wholly unconditional and a Subsequent Acquisition Transaction occur, Non-Accepting Unmarketable Parcel Holders will not receive New CopperCo Shares in consideration for the redemption of their Minsec Shares. Instead, the New CopperCo Shares that such Non-Accepting Unmarketable Parcel Holders would otherwise have been entitled to will be issued to the CopperCo Nominee and sold and the gross proceeds will be distributed pro-rata among the Non-Accepting Unmarketable Parcel Holders. The costs of this exercise will be borne by CopperCo.

Accepting Unmarketable Parcel Holders will automatically receive 2.2 New CopperCo Shares for each Minsec Share held with fractions of CopperCo Shares being rounded down to the nearest whole number, provided that Accepting Unmarketable Parcel Holders may instead elect to have the New CopperCo Shares to which they are entitled under the Offer issued to the CopperCo Nominee who will then aggregate the holding with the holdings of any other Accepting Unmarketable Parcel Holders wishing to make a Cash Election (together the "Electing Unmarketable Parcel Holders") and sell the aggregated holding and the Registrar will then distribute the gross proceeds pro-rata to the Electing Unmarketable Parcel Holders. The costs of this exercise will be borne by CopperCo.

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Any Accepting Unmarketable Parcel Holder that would like to elect to accept the Offer and make a Cash Election should (as applicable) mark Box 2 on the Form of Acceptance (for certificated holders), Box 2 on the CDI Acceptance Form (for CDI Holders) or follow the electronic acceptance mechanics set out in paragraph 15 (b) of this Part II (for UK DI Holders) or paragraph 15(c) of this Part II (for CDI Holders).

4. Minsec Share Options and Minsec LTIP

CopperCo and Minsec have entered into separate agreements with each of the Minsec Optionholders to issue New CopperCo Shares in consideration for the release and cancellation of their Minsec Share Options. Further details in relation to these agreements are set out in paragraph 15(b) of Part V of the Prospectus Equivalent Document.

The number of New CopperCo Shares to be issued to Minsec Optionholders has been determined by reference to the Black Scholes option valuation model, the closing price of Minsec Shares on the ASX on 25 January 2008 (the last Australian business day prior to the date of the Announcement) of A$1.40, and the exchange ratio of the Offer of 2.2 New CopperCo Shares for each Minsec Share.

The number of New CopperCo Shares to be issued to Minsec Optionholders on cancellation of their Minsec Share Options is set out below:

Minsec Share Options	*Aggregate number of Minsec Shares under option*	*Number of New CopperCo Shares per option*	*Total Number of New CopperCo Shares*
Class B	1,300,000	0.566	735,800
Class D	7,533,333	0.911	6,862,866
Class E	280,000	0.440	123,200
Class F	2,500,000	0.236	590,000
MESOS	5,160,000	0.456	2,352,960
NEDSOS 1	35,540	0.896	31,844
NEDSOS 2	61,757	0.880	54,346

In aggregate, approximately 10.8 million New CopperCo Shares will be issued to Minsec Optionholders on release and cancellation of their rights in respect of their Minsec Share Options.

Under the Minsec LTIP, each of Robert Champion de Crespigny AC and Keith Liddell were awarded entitlements to be issued a maximum of 3,840,000 Minsec Shares. Pursuant to clause 3.3 of the Bidding Agreement contained at Annexure E to the Announcement, each of Mr Champion de Crespigny AC and Mr Liddell have entered into an agreement with Minsec pursuant to which, on a change of control of Minsec as a result of the Offer, they will receive only 80% of their maximum entitlement under the Minsec LTIP, being 3,072,000 Minsec Shares each (the "Minsec LTIP Shares"). Their respective entitlements to the balance of the Minsec Shares will be terminated. The 6,144,000 Minsec Shares that will be issued under the Minsec LTIP will result in an offer of approximately 13,516,800 New CopperCo Shares.

Each of Robert Champion de Crespigny AC and Keith Liddell (and their respective nominees) have also entered into an agreement with CopperCo pursuant to which, with effect from the date that the Offer becomes or is declared wholly unconditional, their holdings of Minsec LTIP Shares and three quarters of the New CopperCo Shares for which the Minsec LTIP Shares will be exchanged (together the "Restricted Shares") will be subject to voluntary escrow arrangements for a period of 36 months. The Restricted Shares will not be released from escrow until the end of this period except in the following circumstances: to permit the holder to participate in a takeover bid or merger by way of scheme of arrangement (provided certain prerequisites are met which reflect the requirements of ASX Listing Rule 9.18); if the CopperCo Board consents to such release (which consent cannot be granted within the first 12 months of the escrow period); or if they are not appointed as a director (in the case of Robert Champion de Crespigny AC) or executive (in the case of Keith Liddell) of CopperCo or (in the case of Robert Champion de Crespigny AC) cease to be a director of CopperCo or Minsec or (in the case of Keith Liddell) cease to be a director and/or executive of CopperCo. Following the expiry of the escrow period, the New CopperCo Shares, issued as Restricted Shares, will be fully tradable.

5. Background to and reasons for the Offer

CopperCo is a public company listed on the ASX and commenced copper production at the Lady Annie operations north of Mount Isa in Queensland, Australia in October 2007. Further information in respect of CopperCo is set out in the Prospectus Equivalent Document.

On 29 January 2008, it was announced that agreement had been reached to merge CopperCo and Minsec.

The Independent Directors of CopperCo believe that the Offer gives the Minsec Shareholders an opportunity to exchange their investment in Minsec for an investment in the prospects of the Enlarged CopperCo Group at a discount.

The Enlarged CopperCo Group will be a diversified global resources company, with interests in base and precious metals including copper, zinc, lead, platinum and gold. In the opinion of the Independent Directors of CopperCo, the mix of producing and developing assets, commodities and locations will provide a well balanced mix of investments and projects for the Enlarged CopperCo Group and ultimately its shareholders.

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The Independent Directors of CopperCo also believe that:

(a) the Lady Loretta Project in which Minsec has a 25% interest, being adjacent to CopperCo's Lady Annie Project north of Mount Isa in Queensland, will result in the Enlarged CopperCo Group having an increased base metals presence in North Queensland and may result in synergies for the Enlarged CopperCo Group;

(b) the Enlarged CopperCo Group will have an enlarged equity market presence, enhancing access to capital and better positioning CopperCo to pursue further consolidation opportunities in base and precious metals;

(c) if successful, the Offer will pool the skilled human resources of Minsec and CopperCo at a time when the Independent Directors of both Minsec and CopperCo believe skills in the resources sector to be at a premium globally; and

(d) CopperCo and Minsec share a common corporate culture which, if the Offer is successful, will allow for a smooth and timely integration of Minsec with CopperCo.

The chairman of Minsec stated at the company's annual general meeting held on 19 February 2008 that Minsec has commenced the process of disposing of its non-core assets and will continue this as and when market conditions allow. Assuming the Offer is successful, CopperCo intends to follow the same approach and to reinvest any realised cash into the key assets of the Enlarged CopperCo Group, value enhancing acquisitions and selected exploration initiatives.

CopperCo also intends to continue with its previous strategy of identifying, developing and exploiting mineraliferous tenements in Queensland, focusing on increasing the expansion of Lady Annie to 25,000 tpa in late December 2008 and 30,000 tpa by mid 2009.

As at 20 June 2008 (the latest practical date prior to the publication of this document), Minsec held approximately 18% of the undiluted issued ordinary share capital of CopperCo. Minsec's shareholding in CopperCo (being the CopperCo Treasury Shares) will be disposed of within 12 months of the Offer becoming or being declared wholly unconditional by either seeking the approval of CopperCo's Shareholders to cancel or buy back the shares or by disposing of the shares by way of a rights issue or placement. The treatment of the CopperCo Treasury Shares will be decided within 12 months of the completion of the Acquisition and the final outcome will be dependent largely on the funding requirements of the Enlarged CopperCo Group at that time.

A summary of the Bidding Agreement can be found at paragraph 15(e) of Part V of the Prospectus Equivalent Document. Your attention is also drawn to the summary of the working capital position of CopperCo as set out at paragraph 10.3 on page 5 of the Prospectus Equivalent Document.

6. Financial effects of the acceptance of the Offer

The following table shows, for illustrative purposes only, and on the basis and assumptions set out below, the financial effects of acceptance of the Offer on capital value and investment income for an accepting Minsec Shareholder holding 100 Minsec Shares if the Offer becomes or is declared wholly unconditional:

(a) ***Capital value***

	Capital value (A$)[1]
Market value of 100 Minsec Shares[2]	140.0
Market value of 220 CopperCo Shares[3]	143.0
Increase in capital value	3.0
Percentage increase in capital value	2.1%

Notes:

[1] No account has been taken of any potential liability to taxation.

[2] The market value of a Minsec Share is based on the price at which Minsec Shares last traded on the ASX on 25 January 2008 of A$1.40 (the last Australian business day prior to the date of the Announcement).

[3] The market value of a CopperCo Share is based on the price at which CopperCo Shares last traded on the ASX on 25 January 2008 of A$0.65 (the last Australian business day prior to the date of the Announcement).

(b) ***Investment income***

Given that dividends have not previously been paid by either CopperCo or Minsec, a historical comparison cannot be provided.

7. Irrevocable undertakings

The Minsec Directors have given irrevocable undertakings to accept the Offer in respect of any Minsec Shares which they currently hold or may after the date of their undertaking become the registered holder and beneficial owner and to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares held by themselves and/or certain specified relatives.

The undertakings remain binding unless there is, *inter alia*, a superior proposal or a material adverse change in CopperCo.

Further details of these irrevocable undertakings are set out in paragraph 5 of Appendix III of this document.

8. Information on Minsec

Minsec, the holding company of the Minsec Group, is an ASX and AIM listed resource investment company which was created for the purposes of acquiring Minsec Australia in June 2007 and Scarborough in July 2007. Scarborough had itself been created by Robert Champion de Crespigny AC in April 2006 through the Three-Way Merger. Minsec Australia had been founded by Keith Liddell in 2001.

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Minsec makes early stage investments in resource companies and projects with a focus on identifying undervalued or emerging resource projects that can be developed into successful and viable operations. It currently has investments in Australia, Chile, China, Greece, Kazakhstan, Mozambique, South Africa and Zambia.

9. Information on CopperCo

In June 2004, CopperCo (then named Avon Resources Limited) entered into a four-way transaction by which it acquired 100% of the Lady Annie Project.

Following the transaction, the Company changed its name to CopperCo Limited to reflect its focus on copper exploration and exploitation and Mr Brian Rear was appointed managing director of CopperCo.

The acquisition of the Lady Annie Project provided CopperCo with the opportunity to develop the company into a high margin copper producer in just over three years, with the first cathode produced on 27 September 2007 and the first shipment during the following month.

10. Management and employees

The Independent Directors of CopperCo have given assurances to the Independent Directors of Minsec that the existing employment rights, including pension rights, of all employees of the Minsec Group will be fully safeguarded in all material respects if the Offer is declared wholly unconditional. Furthermore, the Independent Directors of CopperCo have stated in paragraph 5 of this letter that part of the rationale for the Offer is that it will enable Minsec and CopperCo to pool their skilled human resources at a time when the Independent Directors of CopperCo believe skills to be at a premium globally.

The Independent Directors of CopperCo confirm that the existing employment rights, including pension rights, of all existing employees of CopperCo will be unaffected by the Acquisition.

CopperCo's decision to invite any of the current Minsec Independent Directors to become CopperCo Directors has been deferred until after the completion of the Offer. This was publically announced by CopperCo on 6 June 2008.

Details of the arrangements which the Minsec Directors and certain of the senior managers of Minsec have entered into as Minsec Optionholders (and, in the case of Robert Champion de Crespigny AC and Keith Liddell, as Minsec LTIP Beneficiaries) and details of the irrevocable undertakings given by the Minsec Directors, are set out in paragraphs 4 and 7 of this letter respectively.

As previously announced Keith Liddell, the current chief executive officer of Minsec and the current non-executive chairman of CopperCo, will become the chief executive officer of the Enlarged CopperCo Group and will have primary responsibility for precious metals. Brian Rear, the current managing director of CopperCo, will be the managing director of the Enlarged CopperCo Group and will have primary responsibility for base metals.

The Enlarged CopperCo Group's headquarters will be based in Perth, a useful point of access to the Australian, African and Asian project locations. The Enlarged CopperCo Group will also have a representative office in Beijing (established by Minsec in 2004) and London which provides the opportunity to review large numbers of projects in this fundamentally important mining and mineral-consuming market.

11. United Kingdom taxation

The following paragraphs are based on United Kingdom law at present in force and currently published United Kingdom HM Revenue & Customs practice. The following paragraphs summarise certain limited aspects of the UK taxation consequences of acceptance of the Offer; they are not exhaustive and are intended as a general guide for Minsec Shareholders beneficially holding Minsec Shares as investments. It assumes, save where specifically mentioned, that the relevant Minsec Shareholder is resident and, if an individual, ordinarily resident in the United Kingdom for United Kingdom taxation purposes and is not a share dealer or charity or other person with special tax status or claiming special tax reliefs or treatment or a person regarded as having obtained their Minsec Shares by reason of their employment. If you are in any doubt as to your tax position, you should consult your independent professional advisor immediately.

11.1 ***UK taxation on chargeable gains***

The receipt of cash by a Minsec Shareholder under the Offer will constitute a disposal, or part disposal, of his or her Minsec Shares for the purposes of UK taxation of chargeable gains. Such a disposal, or part disposal, may, depending on the Minsec Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to liability to UK taxation on chargeable gains.

Overseas persons who are not resident in the UK should consult their own tax advisers concerning their tax liabilities (in the UK and any other country of jurisdiction).

11.2 ***Stamp duty and stamp duty reserve tax ("SDRT")***

No stamp duty or SDRT is payable on the transfer or issue of New CopperCo Shares by CopperCo to Minsec Shareholders.

11.3 ***Other tax matters***

Special tax provisions may apply to Minsec Shareholders who have acquired or acquire their Minsec Shares under the Minsec Share Options, including provisions imposing a charge to income tax and national insurance contributions. Such individuals are encouraged to seek their own independent tax advice.

12. Australian Taxation

The paragraphs below comment on the general Australian taxation position of individual and corporate resident and non-resident shareholders of Minsec in relation to the disposal of their Minsec Shares in exchange for New CopperCo Shares.

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The following comments are intended as a general guide to the Australian tax implications only. They should not be a substitute for advice from an appropriate professional adviser and all shareholders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on the law and understanding of the practice of the tax authorities in Australia as at the date of this document. These are subject to change periodically as is their interpretation by the courts.

The comments do not apply to shareholders who hold their Minsec Shares on revenue account. Shareholders who trade their Minsec Shares in the ordinary course of their business or who purchased their Minsec Shares for speculative purposes with the intention of selling them at a profit rather than holding them longer term to earn future dividends will hold their Minsec Shares on revenue account.

The representatives of Deloitte Touche Tohmatsu Ltd involved in preparing this Section 12 are not licensed to provide financial product advice. You should consider taking advice from an Australian Financial Services licence holder before taking any decision in relation to a financial product. You should also note that taxation is only one of the matters that you need to consider when making a decision on a financial product.

12.1 ***Australian resident shareholders***

The Australian resident Minsec Shareholders must consider the impact of the Australian CGT rules on the disposal of their Minsec Shares as a CGT event will occur when they receive the New CopperCo Shares.

Australian Minsec Shareholders will derive a capital gain if the value of the New CopperCo Shares they receive is greater than the CGT cost base of their Minsec Shares. Broadly, the amount of any capital gain liable to Australian tax will be the amount by which the market value of the New CopperCo Shares on the day they are received exceeds the cost base of their Minsec Shares. The time of recognition of any capital gain will be at the time the Minsec Shareholders receive the New CopperCo Shares.

Australian Minsec Shareholders will incur a capital loss if the value of the New CopperCo Shares they receive is less than the CGT reduced cost base of their Minsec Shares. Such a capital loss may be used to offset a capital gain made in the same income year or a future income year. Corporate Minsec Shareholders may only carry forward a capital loss to offset a future capital gain if the required tests relating to continuity of ownership and same business are satisfied. A capital loss may not be used to offset ordinary assessable income.

If an Australian Minsec Shareholder will otherwise derive a capital gain, they may be able to choose to apply the scrip for scrip CGT rollover rules to the exchange of their Minsec Shares for New CopperCo Shares. This will result in any capital gain being disregarded for Australian tax purposes.

As a consequence of choosing rollover relief, New CopperCo Shares received upon disposal of Minsec Shares will have a cost base equal to the cost base of the original Minsec Shares. The cost base of the New CopperCo Shares is relevant in working out any capital gain liable to Australian tax on a subsequent disposal of the New CopperCo Shares.

If Australian Minsec Shareholders choose rollover relief, then the choice must be made before lodgement of the income tax return for the income year the Minsec Shares are exchanged.

If an Australian Minsec Shareholder derives a capital gain at the time they receive the New CopperCo Shares and does not choose to apply the scrip for scrip CGT rollover rules, then:

- If the Minsec Shareholder is an individual or trust, then the shareholder may offset this gain by any capital losses incurred by the shareholder on or before the end of the income year to determine the net capital gain. If the shareholder has held his or her Minsec Shares for more than 12 months at the time they receive their New CopperCo Shares, then it is possible for the shareholder to obtain a CGT discount which will reduce the net capital gain by 50% (if the shareholder is a complying superannuation entity then the CGT discount is one third); and
- If the Minsec Shareholder is a company, then the tax implications will be the same as outlined above for an individual, except the company will not be able to reduce the capital gain by the 50% CGT discount in any circumstances.

Australian Minsec Shareholders, who acquired Minsec Shares as a result of a previous merger or acquisition, may be considered to have acquired the Minsec Shares at the time the earlier shares were acquired in certain circumstances. Specific tax advice should be sought by Minsec Shareholders on this point.

The CGT cost base of the New CopperCo Shares acquired for all shareholders who do not choose to apply the scrip for scrip rollover rules (or who are unable to make this choice) will equal the market value of the New CopperCo Shares on the date they are received.

A shareholder who chooses rollover relief will be taken to acquire their New CopperCo Shares at the time of acquiring their Minsec Shares for the purpose of determining any entitlement to a discount on an otherwise assessable capital gain arising on a subsequent dealing in New CopperCo Shares acquired pursuant to the Offer.

12.2 ***Non-resident shareholders***

Minsec Shareholders who are not resident in Australia for income tax purposes and do not carry on business in Australia through a permanent establishment will generally not be subject to Australian CGT on the disposal of their Minsec Shares if they and their associates have not held 10% or more of the issued Minsec Shares at the time of disposal or for any continuous 12-month period within two years preceding the disposal. Those Minsec Shareholders that hold greater than 10%

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of the issued shares will only be subject to CGT if the capital gain or loss relates predominantly to assets that are taxable Australian property ("Taxable Australian Property"). Taxable Australian Property comprises Australian land and interests in Australian land or interests (e.g. options or shares) in companies whose underlying assets comprise such land.

On the basis that the value of Minsec is not predominantly attributable to Taxable Australian Property, then it is likely that non-resident shareholders will not be subject to Australian CGT.

12.3 ***Stamp Duty/GST***

Minsec Shareholders will not be required to pay stamp duty or GST on the disposal of their Minsec Shares or the acquisition of CopperCo Shares.

13. Taxation in other jurisdictions where the Offer is capable of acceptance

If you are a Minsec Shareholder subject to taxation in a jurisdiction (other than the UK and Australia) where the Offer is capable of acceptance, your attention is drawn to paragraph 17 of Part V of the Prospectus Equivalent Document. **If you are in any doubt as to your tax position, you should consult your independent professional adviser immediately.**

14. Overseas Shareholders

The attention of Minsec Shareholders who are citizens or residents of jurisdictions outside the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus is drawn to paragraph 7.7 of Part I of the Prospectus Equivalent Document and paragraph 7 of Section B of Part IV of the Prospectus Equivalent Document and, in the case of Minsec Shares held in certificated form, to the relevant provisions of the Form of Acceptance and, in the case of CDI Holders, to the relevant provisions of the CDI Form of Acceptance.

The Offer cannot be accepted and will not be capable of acceptance by any person in the United States or by (or for the account or benefit of) US Persons, in either case other than "accredited investors" as defined in Regulation D who also agree to resell such securities only in accordance with the provision of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance in or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance. Accordingly, neither this document, the Prospectus Equivalent Document nor the accompanying Form of Acceptance and CDI Acceptance Form are being, and must not be issued, mailed or otherwise distributed or sent in, into or from a Restricted Jurisdiction, unless CopperCo, in its sole discretion, determines otherwise. Custodians, nominees and trustees should observe these restrictions and should not send or distribute this document or the accompanying documents in or into a Restricted Jurisdiction.

15. Procedure for acceptance of the Offer

Acceptance of the Offer should be despatched as soon as possible and, in any event, so as to be received not later than 10 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV to this document.

(a) To accept the Offer, Minsec Shareholders who hold Minsec Shares **in certificated form** must complete and sign the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance and return it, either by post or by hand (during normal business hours) to Computershare UK at the address stated in the Form of Acceptance as soon as possible, but, in any event, so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document.

Unmarketable Parcel Holders that wish to make the Cash Election should complete Box 2 in the Form of Acceptance.

The completed Form of Acceptance should be accompanied by the share certificate(s) for your Minsec Shares and/or other document(s) of title.

This paragraph 15(a) should be read in conjunction with the Form of Acceptance and Sections B and C of Part IV of the Prospectus Equivalent Document.

(b) To accept the Offer, Minsec Shareholders who hold Minsec Shares as UK DIs (that is, **in CREST**), should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) to Euroclear, a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Minsec Shares. This is VGG614341094;
- the number of Minsec Shares in respect of which they wish to accept the Offer (i.e. the number of Minsec Shares to be transferred to escrow);
- the member account ID of the accepting Minsec Shareholder;
- the participant ID of the accepting Minsec Shareholder;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent. This is MINCOP01;

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- the intended settlement date. This should be as soon as possible and in any event not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input with standard delivery instruction priority of 80.

Unmarketable Parcel Holders that wish to make the Cash Election should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) to Euroclear, a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Minsec Shares. This is VGG614341094;
- the number of Minsec Shares in respect of which they wish to accept the Offer (i.e. the number of Minsec Shares to be transferred to escrow);
- the member account ID of the accepting Minsec Shareholder;
- the participant ID of the accepting Minsec Shareholder;
- the participant ID of the Escrow Agent. This is 3RA26;
- the member account ID of the Escrow Agent. This is MINCOP02;
- the intended settlement date. This should be as soon as possible and in any event not later than 10 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input with standard delivery instruction priority of 80.

This paragraph 15(b) should be read in conjunction with Sections B and D of Part IV of the Prospectus Equivalent Document.

(c) To accept the Offer, Minsec Shareholders that are **CDI Holders** must do so through the CDI Nominee. If CDIs are held:

(i) in an Issuer Sponsored Holding, the CDI Acceptance Form accompanying this document should be completed in accordance with the instructions printed on the CDI Acceptance Form and signed and returned, either by post or by hand (during normal business hours) to Computershare Australia at the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document; or

(ii) on the CHESS sub-register, CDI Holders should either (i) contact their Controlling Participant (normally their stockbroker) with instructions to accept the Offer, or (ii) complete and sign the CDI Acceptance Form accompanying this document in accordance with the instructions printed on the CDI Acceptance Form and return it, either by post or by hand (during normal business hours) to Computershare Australia at the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to be received not later than 10.00 a.m. (London time) on 1 August 2008, or such other date as extended in accordance with paragraph 4 of Section B of Part IV of the Prospectus Equivalent Document. Alternatively, if the CDI Holders are Australian Broker Participants or Australian Non-Broker Participants, they should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASTC Settlement Rules. If the CDIs are held on the CHESS sub-register, the Offer must be accepted in accordance with the ASTC Settlement Rules.

Unmarketable Parcel Holders that wish to make the Cash Election should either mark Box 2 in the CDI Acceptance Form or advise their Controlling Participant, as appropriate.

This paragraph 15(c) should be read in conjunction with Sections B and E of Part IV of the Prospectus Equivalent Document.

16. ASX quotation and settlement

The CopperCo Shares are currently quoted on the ASX. An application will be made for quotation of the New CopperCo Shares within seven days of the date of this document.

Quotation on ASX is not guaranteed or automatic on such an application. Nothing in this document should be taken to state or imply that the New CopperCo Shares will be quoted on the ASX, but quotation is expected in the ordinary course as CopperCo is already admitted to the Official List of the ASX and the CopperCo Shares have been granted quotation by the ASX, and it will be a term of CopperCo's Offer that permission is obtained from the ASX for admission to quotation of the New CopperCo Shares on ASX no later than seven days after the Offer closes.

The obligation of CopperCo to issue New CopperCo Shares will be satisfied by entering the name of the Minsec Shareholder on the register of members of CopperCo and despatching or procuring the despatch of uncertificated holding statements by pre-paid ordinary mail or, in the case of addressees outside Australia, by pre-paid airmail, to the address of the Minsec Shareholder shown

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on the copy register of Minsec members maintained by CopperCo. If Minsec Shares are held in a joint name, an uncertificated holding statement will be issued in the name of the joint holders and forwarded to the address that appears first in the register of members of Minsec.

If the Minsec Shareholder receiving CopperCo Shares as a result of the Offer is a US Person, the uncertificated holding statement also will note that such CopperCo Shares are "restricted securities" for purposes of the US securities laws and may be resold only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from or a transaction not subject to registration under the Securities Act.

Assuming that the applicable New CopperCo Shares have been quoted on the ASX, the obligation of CopperCo to issue New CopperCo Shares will be so satisfied within 14 days of the later of:

(a) 1 August 2008, being the first closing date of the Offer;

(b) the date the Offer becomes or is declared wholly unconditional; and

(c) the date of receipt of an acceptance complete in all respects in accordance with the terms of the Offer.

If the Offer becomes or is declared wholly unconditional on 22 September 2008 (being the latest possible date upon which the Offer could be declared wholly unconditional), it is expected that the New CopperCo Shares will be issued no later than 6 October 2008. It is expected that the obligation of CopperCo to despatch consideration pursuant to a Cash Election will be satisfied within 40 days of the date the New CopperCo Shares are issued to the CopperCo Nominee on behalf of the Unmarketable Parcel Holder.

Further details of the distribution of any consideration pursuant to the Cash Election are contained in paragraph 5(d) of Section B of Part IV of the Prospectus Equivalent Document.

17. Cancellation of admission to AIM, cancellation of quotation on ASX and compulsory acquisition

Minsec Shareholders should note that if the Offer becomes or is declared unconditional in all respects, CopperCo intends to procure the making of an application to the London Stock Exchange for the cancellation of the admission of the Minsec Shares to trading on AIM (if it receives valid acceptances in excess of 75% of Minsec Shares) and to the ASX for the cancellation of the quotation of the Minsec CDIs (if it receives valid acceptances in respect of 90% of Minsec Shares).

If CopperCo acquires less than 100% of the Minsec Shares, CopperCo intends to take all necessary action to acquire compulsorily or have redeemed the remaining Minsec Shares (the "Minority Shares") on substantially the same terms as those offered under the Offer.

There are various methods under the laws of the British Virgin Islands by which CopperCo may obtain 100% of the issued and outstanding Minsec Shares following consummation of the Offer. These include:

(i) mandatory redemption of the Minority Shares pursuant to section 176 of the BVI Act at the instigation of a shareholder or shareholders holding 90% of the votes of the share capital of Minsec (the "Majority Shareholder(s)");

(ii) an arrangement pursuant to section 177 of the BVI Act; or

(iii) a merger or consolidation pursuant to section 170 of the BVI Act (each (i), (ii) and (iii) a "Subsequent Acquisition Transaction").

The timing and details of any Subsequent Acquisition Transaction will depend on a number of factors, including the number of Minsec Shares acquired pursuant to the Offer. If the Offer becomes or is declared wholly unconditional and CopperCo acquires the Minsec Shares, it believes that it would own sufficient Minsec Shares to effect such Subsequent Acquisition Transaction. While CopperCo currently intends that the consideration offered under any Subsequent Acquisition Transaction would be the same as the consideration offered under the Offer, the consideration offered could ultimately be lower or higher.

Redemption of Minority Shares

Subject to the Minsec Constitution, section 176 of the BVI Act provides that the Majority Shareholder(s) may instruct Minsec to effect a redemption of Minority Shares. On receipt of such an instruction in writing, Minsec must redeem the Minority Shares irrespective of whether or not the shares are by their terms redeemable.

Upon receiving directions from the Majority Shareholder(s) to redeem the Minority Shares in accordance with section 176 of the BVI Act, Minsec must make a written offer to each holder of Minority Shares (the "Minority Shareholders"), stating the redemption price and the manner in which the redemption is to be effected. Minsec should make this written offer to the Minority Shareholders as soon as possible after being instructed to redeem the Minority Shares so that the Minority Shareholders do not lose their rights to dissent to the redemption price being offered to them.

The redemption price offered for the redemption of shares held by Minority Shares may be a cash amount or an amount in non-cash consideration or partly in cash and partly in non-cash consideration.

Court sanctioned arrangement

An arrangement includes a transfer of Minsec Shares for shares, debt obligations or other securities in CopperCo, or money or other property, or a combination thereof. If the directors of Minsec determine that an arrangement is in the best interests of Minsec, its creditors or the Minsec Shareholders, they may approve a plan of arrangement. Minsec must then apply to the court for its approval of the proposed arrangement. The court will review the arrangement and will determine (amongst other matters) whether certain additional approvals (such as shareholder or creditor approval) must be obtained and whether dissent rights should be granted. The court may approve or reject the plan of arrangement as proposed or may approve the plan of arrangement with such amendments as it may direct.

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If a court approves the plan of arrangement, the directors of Minsec may confirm the plan of arrangement as approved by the court. After the directors have confirmed the plan and obtained such approvals as may be required by the court, articles of arrangement (which include the plan of arrangement) are executed and filed with the Registrar of Corporate Affairs in the British Virgin Islands. The arrangement will become effective on its registration by the Registrar of Corporate Affairs (or up to thirty days thereafter if the plan of arrangement so provides).

Merger or consolidation

Two or more companies existing under the laws of British Virgin Islands may merge or consolidate in accordance with Section 170 of the BVI Act. A merger under the BVI Act means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the consolidating of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation which must be authorised by a resolution of shareholders. The plan of merger or consolidation must include, among other things, the terms and conditions of the proposed merger or consolidation, including the manner and basis of cancelling, reclassifying or converting shares in each constituent company into shares, debt obligations or other securities in the surviving or consolidated company, or money or other assets, or a combination thereof.

After the plan of merger or consolidation has been approved by the directors and authorised by a resolution of the shareholders, articles of merger or consolidation are executed by each company and filed with the Registrar of Corporate Affairs in the British Virgin Islands. Articles of merger or consolidation must include the following:

(a) the plan of merger or consolidation and, in the case of a consolidation, the memorandum and articles of association of the consolidated company;

(b) the date on which the memorandum and articles of association of each constituent company were registered by the Registrar of Corporate Affairs; and

(c) the manner in which the merger or consolidation was authorised with respect to each constituent company.

Shareholders dissenting rights

Under section 179 of the BVI Act, a Minsec Shareholder may dissent from a mandatory redemption of their Minsec Shares pursuant to section 176 of the BVI Act, an arrangement (if permitted by the court) pursuant to section 177 of the BVI Act, a merger (unless the relevant shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) and a consolidation pursuant to section 170 of the BVI Act. A dissenting Minsec Shareholder properly exercising their dissent rights is entitled to payment of the fair value of their Minsec Shares.

A Minsec Shareholder dissenting from a merger or consolidation under section 170 of the BVI Act must object in writing to the merger or consolidation before the vote by the Minsec Shareholders on the merger or consolidation, unless notice of the meeting was not given to the dissenting Minsec Shareholder or the proposed action was authorised by a written resolution of the Minsec Shareholders. If the merger or consolidation is approved by the Minsec Shareholders, Minsec must, within 20 days, give notice of this fact to each dissenting Minsec Shareholder who gave written objection, and to each Minsec Shareholder who did not receive notice of the meeting or to any Minsec Shareholder who did not consent to the merger or consolidation if consent was obtained by written resolution. Such Minsec Shareholders then have 20 days to give to Minsec their written election in the form specified by the BVI Act to dissent from the merger or consolidation.

A Minsec Shareholder who wishes to dissent from the redemption price being offered under a mandatory redemption pursuant to section 176 of the BVI Act must do so within 7 days of the Majority Shareholder(s) instructing Minsec to redeem the minority shares. Minority Minsec Shareholders that do not dissent within seven days of the Majority Shareholder(s) giving Minsec notice to redeem the Minority Shares lose the right to dissent to the redemption price being offered and the Minsec Shares held by that Minority Shareholder are automatically redeemed for the redemption price notified to the Minority Shareholders by Minsec.

In the case of a merger or consolidation or a court sanctioned arrangement only, upon giving notice of his or her election to dissent, a Minsec Shareholder ceases to have any rights of a Minsec Shareholder except the right to be paid the fair value of his or her Minsec Shares.

Within seven days following the date of the expiration of the period within which Minsec Shareholders may give their notices of election to dissent or within seven days immediately following the date on which the proposed action is put into effect, whichever is later, Minsec, or in the case of a merger or consolidation, the surviving company or the consolidated company, must make a written offer to each dissenting Minsec Shareholder to purchase his or her Minsec Shares at a specified price that Minsec determines to be the fair value. In the case of a mandatory redemption of Minsec Shares pursuant to section 176 of the BVI Act, the written offer must be made by Minsec within seven days immediately following the direction given to Minsec to redeem the issued and outstanding Minsec Shares. Minsec and the dissenting Minsec Shareholders then have 30 days to agree upon the price.

If Minsec and the dissenting Minsec Shareholder fail to agree on the price within the 30 days, then Minsec and the dissenting Shareholder shall, within 20 days of the expiration of the 30-day period they had to agree a fair value for the dissenting Minsec Shareholder's shares, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the Minsec Shares owned by the dissenting Minsec Shareholder as of, in the case of a merger or consolidation or a plan of arrangement, the close of business on the day before the Minsec Shareholders approved the transaction and, in the case of a compulsory redemption, the close of the business day on which the Majority Shareholder gave Minsec the notice to redeem. The appraisers will take no account of any change in the value as a result of the transaction and the fair value fixed by them is then binding on all parties for all purposes.

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18. Further information

Your attention is drawn to the further information relating to the Offer set out in the Appendices to this document and, as appropriate, in the Forms of Acceptance and the Prospectus Equivalent Document. The Appendices and the Forms of Acceptance contain material information which may not be summarised elsewhere in this document.

19. Action to be taken

To accept the Offer in respect of Minsec Shares **in certificated form** you must complete the Form of Acceptance in accordance with the instructions printed on it and return it, together with your share certificate(s) or other document(s) of title, by post or by hand to the address stated on the Form of Acceptance, as soon as possible, but in any event so as to arrive by no later than 10.00 a.m. (London time) on 1 August 2008.

To accept the Offer in respect of Minsec Shares held as **UK DIs** (that is, in CREST) you should send (or procure that there is sent) to Euroclear the required TTE Instruction in accordance with the instructions set out in paragraph 15(b) of this letter in relation to such Minsec Shares as soon as possible, but in any event so that the TTE Instruction settles not later than 10.00 a.m. (London time) on 1 August 2008.

To accept the Offer in respect of Minsec Shares held as **CDIs** you must either complete the CDI Acceptance Form in accordance with the instructions printed on it and return it to Computershare Australia by post or by hand (during normal business hours only) to the address stated on the CDI Acceptance Form, as soon as possible, but in any event so as to arrive by no later than 10.00 a.m. (London time) on 1 August 2008 or instruct your Controlling Participant to accept on your behalf.

Unmarketable Parcel Holders that wish to make the Cash Election should refer to the procedure for acceptance of the Offer contained in paragraph 15 of this letter.

Full details of action to be taken to accept the Offer are set out in paragraph 15 of this letter, Sections B to E of Part IV of the Prospectus Equivalent Document and, as appropriate, in the Forms of Acceptance.

Minsec Shareholders who have any questions in relation to the Offer are requested to contact Minsec's helpline on the following numbers between 9.00 a.m. and 3.00 a.m. (Australian EST) and midnight and 6.00 p.m. (London time) on any Business Day:

(a)	Australia-wide toll free number	1800 65 65 06
(b)	UK toll free number	0808 234 2505
(c)	overseas (non-UK)	+61 2 9207 3783

Please note for that, for legal reasons, Minsec's helpline cannot provide financial advice or advice on the merits of the Offer.

Yours faithfully,



Brian Rear
Managing Director

For and on behalf of the Independent Directors of CopperCo

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APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE OFFER

Your attention is drawn to Part IV of the Prospectus Equivalent Document which contains the conditions and further terms of the Offer.

APPENDIX II

FINANCIAL INFORMATION ON COPPERCO AND MINSEC

Your attention is drawn to the paragraph entitled "Financial Information" on page 14 of the Prospectus Equivalent Document and Part II of the same document which contains:

(a) the audited CopperCo financial information for the financial years ended 30 June 2007, 30 June 2006 and 30 June 2005 and the unaudited half year financial report of CopperCo for the six months ended 31 December 2007;

(b) the audited Consolidated Minsec Group financial statements for the financial periods ended 30 September 2007, 30 September 2006 and 30 June 2005 and the unaudited half year financial report of Minsec for the six months ended 31 March 2008; and

(c) the pro forma financial information that has been provided for illustrative purposes only to demonstrate the effect of the Acquisition as if it had been completed on 31 December 2007.

Recipients of this document should read the whole document and not just rely on the financial information set out in Part II of the Prospectus Equivalent Document.

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APPENDIX III

ADDITIONAL INFORMATION

1. Responsibility

(a) The CopperCo Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document, save for the information for which responsibility is taken by the Minsec Directors in paragraph 1(b) below. To the best of the knowledge and belief of the CopperCo Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

(b) The Minsec Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this document relating to Minsec, the Minsec Group, the Minsec Directors and the members of their immediate families and persons connected with them (save in each case for information on CopperCo's future plans for Minsec, the Minsec Group and its management and employees). To the best of the knowledge and belief of the Minsec Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

(a) The CopperCo Directors and their respective principal functions are as follows:

Name	*Position*
Keith Stuart Liddell	*Non-Executive Chairman*
Brian James Rear	*Managing Director*
Richard John Basham	*Non-Executive Director*
Hon. John Colinton Moore AO	*Non-Executive Director*
Peter John Patrikeos	*Non-Executive Director*

CopperCo is a company limited by shares and was incorporated in Australia on 29 May 1959 under the Corporations Act and regulations made thereunder, with Australian Company Number 004 434 904. The registered office of CopperCo and the business address of the CopperCo Directors is Level 22, Allendale Square, 77 St Georges Terrace, Perth, WA 6000.

The Minsec Directors and their respective principal functions are as follows:

Name	*Position*
Robert James Champion de Crespigny AC	*Chairman*
Keith Stuart Liddell	*Chief Executive Officer and Managing Director*
Sir Bruce Dugald MacPhail	*Senior Non-Executive Director*
Nigel Jonathan Hamway	*Non-Executive Director*
Hon. John Colinton Moore AO	*Non-Executive Director*
Stephen Lawry Phipps	*Non-Executive Director*

Minsec is a public company limited by shares and is incorporated in the British Virgin Islands under the BVI Act, 2006 with registered number 1390447. The registered office of Minsec is c/o Codan Trust Company (B.V.I.) Ltd, Romasco Place, Wickhams Cay, Road Town, Tortola, British Virgin Islands, VG 1110. The business address of each of the Minsec Directors is 14 Golden Square, London W1F 9JF, United Kingdom.

3. Market quotations

Set out below is the closing price of a Minsec Share and a CopperCo Share for the first Business Day of each of the six months immediately prior to the date of this document, for 25 January 2008 (being the last Australian business day immediately prior to the commencement of the Offer Period) and for 20 June 2008 (being the latest practicable date before the publication of this document):

Date	*Price per Minsec Share*		*Price per CopperCo Share*
	AIM	*ASX*	*ASX*
2 January 2008	£0.71	A$1.55	A$0.93
25 January 2008	£0.61	A$1.40	A$0.65
1 February 2008	£0.62	A$1.21	A$0.61
3 March 2008	£0.57	A$1.25	A$0.58
1 April 2008	£0.46	A$0.90	A$0.47
1 May 2008	£0.57	A$1.20	A$0.68
2 June 2008	£0.63	A$1.28	A$0.60
20 June 2008	£0.55	A$1.16	A$0.60

The Closing Prices for Minsec Shares trading on AIM have been derived from the Daily Official List. The closing prices for Minsec Shares trading on ASX and CopperCo Shares have been obtained using IRESS Market Technology Limited applications.

4. Shareholdings and dealings

(a) ***General***

For the purposes of this Appendix III:

(i) **acting in concert** has the meaning attributed to it in the Code;

(ii) **arrangement** includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing but excludes an irrevocable commitment or letter of intent;

(iii) **associate** of a company means:

(A) its parent company (if any), subsidiaries, fellow subsidiaries and associated companies and companies of which any such subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20% or more of the equity share capital of a company is the test of associated company status) (a **paragraph 1 associate**);

(B) connected advisers, and persons controlling, controlled by or under the same control as such connected advisers;

(C) the directors of the company and of any paragraph 1 associate (together, in each case, with their close relatives and related trusts);

(D) the pension funds of the company or of any paragraph 1 associate;

(E) any investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;

(F) an employee benefit trust of the company or of any paragraph 1 associate; and

(G) a company having a material trading arrangement with the company;

(iv) **CopperCo relevant securities** means:

(A) CopperCo shares and any other securities of CopperCo carrying voting rights;

(B) equity share capital of CopperCo; and

(C) any securities of CopperCo carrying conversion or subscription rights into any securities listed in (A) or (B) above;

(v) **connected adviser** has the meaning attributed to it in the Code;

(vi) **connected person** means any person whose interests in shares the relevant director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations;

(vii) **control** means a holding or aggregate holdings of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective to whether the holding or aggregate holdings gives de facto control;

(viii) **derivative** includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

(ix) **disclosure date** means the close of business on 20 June 2008 (being the latest practicable date prior to the publication of this document);

(x) **disclosure period** means the period commencing on 29 January 2007 (being the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

(xi) **exempt principal trader** or **exempt fund manager** have the meanings attributed to them in the Code;

(xii) being **interested** in relevant securities includes where a person:

(A) owns relevant securities;

(B) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;

(C) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;

(D) is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in it; or

(E) has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities (but a person who only has a short position in relevant securities is not treated as interested in those relevant securities);

(xiii) **relevant securities** means Minsec relevant securities and/or CopperCo relevant securities, as appropriate;

(xiv) **short position** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

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(xv) **Minsec relevant securities** means:

(A) Minsec Shares and any other securities of Minsec carrying voting rights;

(B) equity share capital of Minsec; and

(C) any securities of Minsec carrying conversion or subscription rights into any securities listed in (A) or (B) above;

(xvii) a disclosure made in respect of a director of Minsec or CopperCo (as the case may be) includes details of all interests, short positions and borrowings of any other person whose interest in shares such director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations; and

(xviii) references to a pension fund of CopperCo or Minsec or of a paragraph 1 associate (as the case may be) do not include any such pension funds which are managed under an agreement or arrangement with an independent third party in the terms set out in Note 7 on the definition in the Code of "acting in concert".

(b) ***Interests in Minsec relevant securities***

The information regarding Minsec's relevant securities provided in this paragraph (b) includes interests that are indirectly held by the individuals listed below:

(i) As at the disclosure date, Minsec Directors and their immediate families, related trusts and connected persons, had interests in the following Minsec relevant securities (excluding share options and conditional share awards which are disclosed at paragraph (ii) below):

Name of Director	*Number of Minsec Shares*	*Percentage of issued Minsec Shares*[1]
Robert Champion de Crespigny AC	4,674,259	2.97
Keith Liddell	7,561,710	4.81
Sir Bruce MacPhail	800,000	0.51
Nigel Hamway	340,000	0.22
Hon. John Moore AO	544,641	0.35
Stephen Phipps	844,408	0.54

Note:

1 Assuming the cancellation of the Minsec Treasury Shares has taken place.

(ii) As at the disclosure date, Minsec Directors and their immediate families, related trusts and connected persons, had rights to subscribe for, or short positions in relation to, the following Minsec relevant securities:

Name of Director	*Number of Minsec Shares under option/maximum number of Minsec LTIP award shares*	*Minsec Share Options*	*Exercise price*	*Exercise period*
Robert Champion de Crespigny AC	255,088	Class D Options	£0.63	1 October 2006 – 30 September 2012
	3,840,000[1]	Minsec LTIP	N/A	N/A
Keith Liddell	1,300,000	Class B Options	A$1.25	22 June 2007 – 31 January 2009
	3,840,000[1]	Minsec LTIP	N/A	N/A
Sir Bruce MacPhail	20,536	NEDSOS-1	A$1.5918	1 October 2007 – 30 September 2012
	26,467	NEDSOS-2	A$1.6845	1 January 2008 – 31 December 2012
Nigel Hamway	1,313	NEDSOS-1	A$1.5918	1 October 2007 – 30 September 2012
	17,465	NEDSOS-2	A$1.6845	1 January 2008 – 31 December 2012
Hon. John Moore AO	13,691	NEDSOS-1	A$1.5918	1 October 2007 – 30 September 2012
	17,645	NEDSOS-2	A$1.6845	1 January 2008 – 31 December 2012
Stephen Phipps	—	—	—	—

Note:

1 On 27 June 2007, Mr Champion de Crespigny AC and Mr Liddell entered into an agreement with Minsec pursuant to which, on a change of control of Minsec as a result of the Offer, they will receive only 80% of their maximum entitlement under the Minsec LTIP, being 3,072,000 Minsec Shares each. Their respective entitlements to the balance of Minsec Shares will be terminated.

(iii) As at the disclosure date, CopperCo Directors and their immediate families, related trusts and connected persons, had interests in the following Minsec relevant securities (excluding share options and conditional share awards which are disclosed at paragraph (iv) below):

Name of Director	*Number of Minsec Shares*	*Percentage of issued Minsec Shares*[1]
Keith Stuart Liddell	7,561,710	4.81
Brian James Rear	341,946	0.22
Richard John Basham	83,094	0.05
Hon. John Moore AO	544,641	0.35
Peter Patrikeos	—	—

Note:

1 Assuming the cancellation of the Minsec Treasury Shares has taken place.

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(iv) As at the disclosure date, CopperCo Directors and their immediate families, related trusts and connected persons, had rights to subscribe for, or short positions in relation to, the following Minsec relevant securities:

Name of Director	*Number of Minsec Shares under option/maximum number of Minsec LTIP award shares*	*Minsec Share Options*	*Exercise price*	*Exercise period*
Keith Stuart Liddell	1,300,000	Class B Options	A$1.25	22 June 2007 – 31 January 2009
	3,840,000[1]	Minsec LTIP	N/A	N/A
Brian James Rear		—	—	— —
Richard John Basham		—	—	— —
Hon. John Moore AO	13,691	NEDSOS – 1	A$1.5918	1 October 2007 – 30 September 2012
	17,645	NEDSOS – 2	A$1.6845	1 January 2008 – 31 December 2012
Peter Patrikeos	—	—	—	—

Note:

1 On 27 June 2008, Liddell entered into an agreement with Minsec pursuant to which, on a change of control of Minsec as a result of the Offer, he will receive only 80% of his maximum entitlement under the Minsec LTIP, being 3,072,000 Minsec Shares. His entitlement to the balance of Minsec Shares will be terminated.

(c) ***Interests in CopperCo relevant securities***

The information regarding CopperCo's relevant securities provided in this paragraph (c) includes interests that are indirectly held by the individuals listed below:

(i) As at the disclosure date, CopperCo Directors and their immediate families, related trusts and connected persons, had interests in the following CopperCo relevant securities (excluding share options which are disclosed at paragraph (ii) below):

Name of Director	*Number of CopperCo Shares*	*Percentage of issued CopperCo Shares*
Keith Stuart Liddell	535,736	0.11
Brian James Rear	6,900,167[1]	1.36
Richard John Basham	407,157	0.08
Hon. John Moore AO	899,500	0.18
Peter Patrikeos	15,000	0.00

Note:

1 This figure includes 20,900 CopperCo Shares held by Simon Rear, son of Brian Rear.

(ii) As at the disclosure date, CopperCo Directors and their immediate families, related trusts and connected persons, had rights to subscribe for, or short positions in relation to, the following CopperCo relevant securities:

Name of Director	*Number of CopperCo Shares under option*	*Exercise price*	*Exercise period*
Keith Stuart Liddell	1,500,000	A$0.45	On or before 30 June 2010
Brian James Rear	750,000	A$0.60	On or before 30 June 2010[1]
	750,000	A$0.55	On or before 30 June 2010[2]
	1,500,000	A$0.45	On or before 30 June 2010[3]
Richard John Basham	1,000,000	A$0.45	On or before 30 June 2010
Hon. John Moore AO	—	—	—
Peter Patrikeos	—	—	—

Notes:

1 The options will only vest on copper production for the period 1 July 2008 to 30 June 2009 to be in accordance with or higher than budget.

2 The options will only vest on project operating costs for the period 1 July 2007 to 30 June 2010 to be at or lower than budget.

3 The options will only vest on the sustainable production of cathode and delivery of project at or lower than budget capital expenditure.

(iii) As at the disclosure date, Minsec held 91,672,258 CopperCo Shares representing approximately 18.09% of CopperCo's issued share capital. In addition, under the agreement described in paragraph 6(f) of Appendix III to this document, Minsec may require CopperCo to issue 5,867,791 CopperCo Shares to it in lieu of the cash consideration payable and CopperCo may elect to issue such greater number of shares as equates to the consideration divided by the share price of CopperCo.

(iv) As at the disclosure date, Minsec Directors and their immediate families, related trusts and connected persons, had interests in the following CopperCo relevant securities (excluding share options which are disclosed at paragraph (v) below):

Name of Director	*Number of CopperCo Shares*	*Percentage of issued CopperCo Shares*
Keith Stuart Liddell	535,736	0.11
Hon. John Moore AO	899,500	0.18

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(v) As at the disclosure date, Minsec Directors and their immediate families, related trusts and connected persons, had rights to subscribe for, or short positions in relation to, the following CopperCo relevant securities:

Name of Director	*Number of CopperCo Shares under option*	*Exercise price*	*Exercise period*
Keith Stuart Liddell	1,500,000	A$0.45	On or before 30 June 2010

(d) Save as disclosed in this document, so far as the CopperCo Directors and Minsec Directors are aware, as at the disclosure date:

(i) neither CopperCo nor anyone acting in concert with CopperCo has any interest in, or right to subscribe for, or any short position in relation to, any relevant securities;

(ii) neither the CopperCo Directors nor their immediate families, related trusts, or connected persons, or any person acting in concert with CopperCo has an interest in, or a right to subscribe for, or short position relating to, any relevant securities;

(iii) CopperCo has not, nor has any person acting in concert with CopperCo, borrowed or lent any relevant securities (save for any borrowed shares which have either been on-lent or sold);

(iv) neither the Minsec Directors nor any of their immediate families, related trusts or connected persons has any interests in, or right to subscribe for, or any short position in relation to any Minsec relevant securities;

(v) no paragraph 1 associate of Minsec has any interest in or right to subscribe for, or has any short position in relation to, any Minsec relevant securities;

(vi) no pension fund of Minsec or employee benefit trust of or of a company which is a paragraph 1 associate of Minsec had any interest in or right to subscribe for, or any short position in relation to, any Minsec relevant securities;

(vii) no connected adviser of Minsec, to a paragraph 1 associate of Minsec or of any person acting in concert with Minsec nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or an exempt fund manager) has an interest in or right to subscribe for, or any short position in relation to, any Minsec relevant securities;

(viii) neither Minsec nor any person acting in concert with it has borrowed or lent any relevant securities (save for any borrowed shares which have been either on-lent or sold);

(ix) neither Minsec nor any of the Minsec Directors nor any of the immediate families, related trusts or connected persons of the Minsec Directors has had an interest in, or right to subscribe for, or short position in relation to, any CopperCo relevant securities;

(x) no paragraph 1 associate of Minsec, nor any pension fund of Minsec or of a paragraph 1 associate of Minsec, nor any employee benefit trust of Minsec or of a paragraph 1 associate of Minsec, nor any connected adviser to Minsec or to any paragraph 1 associate of Minsec or to any person acting, or presumed to be acting, in concert with Minsec or any person controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager) had an interest in, or a right to subscribe for, or a short position relating to, CopperCo relevant securities;

(xi) CopperCo has neither redeemed nor purchased CopperCo relevent securities between the start of the Offer Period and the disclosure date;

(xii) Minsec has neither redeemed nor purchased Minsec relevant securities during the disclosure period;

(xiii) CopperCo had no interest in Minsec relevant securities; and

(xiv) information with respect to the disclosure of dealings (as defined in the Code) in relevant securities has not been included in this section because it is the subject of a Code waiver (for further information see paragraph 9 of this Appendix III).

5. Irrevocable Undertakings

The following Minsec Directors have given irrevocable undertakings to accept, procure the acceptance of or use reasonable endeavours to procure the acceptance of, the Offer, by not later than ten Business Days after the date this document is posted, in respect of the number of Minsec Shares set out below:

Name	*Number of Minsec Shares*	*Percentage of existing Minsec issued share capital* [1]
Robert Champion de Crespigny AC	7,746,259[2]	4.74
Keith Liddell	10,633,710[2]	6.51
Sir Bruce MacPhail	800,000	0.49
Hon. John Moore AO	544,641	0.33
Stephen Phipps	844,408	0.52
Nigel Hamway	340,000	0.21
Total	20,909,018	12.79

Notes:

1 Assuming the cancellation of the Minsec Treasury Shares has taken place and that 3,072,000 shares have been issued to each of Robert Champion de Crespigny AC and Keith Liddell under the Minsec LTIP settlement.

2 Including the 3,072,000 shares to be received under the Minsec LTIP settlement.

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The above named Minsec Directors have also given irrevocable undertakings to accept the Offer in respect of any Minsec Shares of which they may after the date of their undertaking become the registered holder and beneficial owner and to use their reasonable endeavours to procure the acceptance of the Offer in respect of any other interests in Minsec Shares held by themselves and/or certain specified relatives.

The undertakings remain binding unless there is, *inter alia*, a superior proposal or a material adverse change in CopperCo.

6. Material contracts of the Minsec Group

The following is a summary of those material contracts, not being contracts entered into in the ordinary course of business, which have been entered into by Minsec (or any member of the Minsec Group) since 29 January 2006, being the period of two years immediately preceding the commencement of the Offer Period:

(a) On 27 June 2008, each of Robert Champion de Crespigny AC and Keith Liddell entered into a deed of settlement with Minsec pursuant to which, on a change of control of Minsec (as defined in the Minsec LTIP), the terms of the Minsec LTIP will be varied such that each of Mr Champion de Crespigny AC and Mr Liddell's respective entitlements under the Minsec LTIP shall vest (as defined in the Minsec LTIP) on the basis of four Minsec Shares for each Minsec Share held as an investment share subject to the Minsec LTIP on or immediately prior to that change of control. As a result, the maximum number of Minsec Shares to which each of Mr Champion de Crespigny AC and Mr Liddell (or their respective nominees) shall be entitled under the Minsec LTIP shall be 3,072,000 Minsec Shares. The obligations of the parties are conditional upon, *inter alia*, the Offer being declared unconditional in all respects and the awards made under the Minsec LTIP not having lapsed prior to satisfaction of the foregoing.

(b) Minsec is a party to the deeds of release pursuant to which, subject to the conditions contained therein, the Minsec Optionholders agreed to the cancellation and release of their Minsec Share Options in consideration for the issue of New CopperCo Shares, on the terms referred to in paragraph 15(b) of Part V of the Prospectus Equivalent Document.

(c) Minsec is a party to the Bidding Agreement referred to in paragraph 15(e) of Part V of the Prospectus Equivalent Document.

(d) On 21 December 2007, Mineral Securities Holdings Pty Ltd ("Minsec Holdings") was issued 26 million ordinary shares in Tianshan following the conversion of its preference share. In November 2007, Minsec Holdings subscribed for a further 4,500,000 ordinary shares in the capital of Tianshan as part of a private placement of shares in consideration for the payment of A$2,250,000.

(e) On 9 November 2007, Minsec Investments (BVI) Limited ("Minsec Investments") and Minsec entered into a share purchase agreement with CDC Group plc pursuant to which Minsec Investments agreed to purchase, in three separate tranches, a total of 11,122,049 common shares in the capital of Platmin. The purchase of the first tranche, which consisted of 1,000,000 shares, was completed on 22 November 2007 in consideration for the payment of C$9,900,000 (which was funded from the Minsec Group's existing cash resources). The purchase of the second tranche, which consisted of a further 3,000,000 shares, was completed on 21 December 2007 in consideration for the payment of C$29,700,000 (which was mainly funded by the facility described at paragraph (n) below. The share purchase agreement was terminated on 31 January 2007, prior to completion of the purchase of the third tranche of shares, as a result of the suspension by Minsec of the credit application process in respect of a facility to fund the final tranche of shares. The share purchase agreement contains joint and several warranties and representations and covenants on the part of Minsec and Minsec Investments.

(f) On 5 June 2007, Minsec Australia and CopperCo entered into binding heads of agreement under which CopperCo agreed to purchase 8,000,000 fully paid ordinary shares in Zambezi Resources Limited from Minsec Australia. On 11 June 2007, all rights attaching to the shares as at 5 June 2007 and any which accrue between that date and completion (including the right to any dividends) were transferred.

The consideration payable for the shares is A$3,814,064. Under the Bidding Agreement, payment of the consideration has been deferred until a date which is five business days after the end of the Transaction Period and each of Minsec Australia and CopperCo may elect that 5,867,791 CopperCo Shares are issued as consideration in lieu of cash. If CopperCo elects to issue CopperCo Shares as consideration, the number of CopperCo Shares is to be determined based on a deemed price of the lower of A$0.65 and 90% of the one month volume weighted average price of CopperCo Shares on ASX. If Minsec Australia elects to be paid in CopperCo Shares, the number of CopperCo Shares is to be determined based on a deemed price of A$0.65. In each case, an election for consideration to be paid in CopperCo Shares is subject to the receipt of regulatory approvals, and if Minsec Australia makes the election, it may require CopperCo to seek shareholder approvals if required. If CopperCo Shares are to be issued, Minsec Australia will be restricted from transferring those CopperCo Shares for 12 months, unless CopperCo is able to issue a secondary trading notice to ASX which will allow that sale to be made without a disclosure document under Australian law.

To the extent that the heads of agreement create a debt owing by CopperCo to Minsec Australia , that debt is to be unsecured and is subordinated to the debts owing by CopperCo to Macquarie Bank, Glencore International AG and LinQ Capital Limited. CopperCo's financing arrangements also restrict which of its funds it may use to pay any purchase price to be paid in cash. Completion of the agreement was due to occur on 30 June 2008. However, Minsec and CopperCo have agreed in the Bidding Agreement to postpone settlement to a date which is five business days after the end of the Transaction Period.

(g) On 12 April 2007, Minsec Australia, Minsec and Scarborough entered into a merger implementation agreement. The merger implementation agreement set out the commercial terms to the merger between Minsec and Scarborough (the "Merger") and governed the relationship between the parties during the period from the joint announcement made by Minsec and Scarborough on 13 April 2007 until the successful implementation of the Merger. Amongst other provisions, the parties:

(i) agreed responsibility for the drafting and contents of the various transaction documents;

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(ii) agreed to procure that their respective directors recommend the restructuring of the Minsec group and the Merger transactions to their security holders, to the extent that their security holders are required to approve the transaction;

(iii) provided undertakings concerning the conduct of its business during the period including the obligation not to solicit third party proposals;

(iv) provided certain representations and warranties as to their respective businesses;

(v) agreed to indemnify the other parties and their respective directors in certain circumstances and subject to any restrictions under applicable laws; and

(vi) agreed to pay the transaction costs of the other in certain specified circumstances.

(h) On 12 April 2007, Minsec Australia and Minsec entered into a restructuring agreement which set out the terms and conditions of the restructuring of the Minsec group by way of concurrent schemes of arrangement (the "Restructuring") and the parties' responsibilities in respect of the implementation of the Restructuring. The obligations of the parties under the restructuring agreement (save for the obligations imposed on Minsec Australia and Minsec to use all reasonable endeavours to procure satisfaction of each condition precedent) were conditional on various conditions precedent, all of which were satisfied in accordance with their terms.

The principal terms of the restructuring agreement were as follows:

(i) Minsec Australia and Minsec were obliged to co-operate, provide all assistance reasonably required and take all reasonable steps in connection with the implementation of the Restructuring, including procuring the satisfaction of each condition precedent;

(ii) certain specific obligations were imposed in relation to the manner in which the scheme consideration was to be issued, the key transaction documents were to be prepared, filed with regulators and despatched to shareholders and optionholders and the treatment of foreign registered shareholders under the Restructuring (including the issue of consideration to a nominee and the subsequent sale of that consideration);

(iii) the Restructuring was implemented by the transfer of all Minsec Australia shares and options to Minsec's nominee in consideration for the issue by Minsec of shares and options; and

(iv) the agreement was governed by the laws of Western Australia.

(i) On 12 April 2007, each of Keith Liddell and Haywood Securities Inc. entered into option transfer agreements with Minsec pursuant to which they agreed to transfer their existing unlisted options over shares in Minsec Australia to Minsec in consideration for the issue to them of replacement options, being, in the case of Keith Liddell, an equal number of Class B options over Minsec Shares (the "Class B Options") and, in the case of Haywood Securities Inc., an equal number of Class C options over shares in Minsec (the "Class C Options").

(j) On 12 April 2007, the holders of Class B options over shares in Scarborough (the "Scarborough Class B Options"), namely, Peter Richards, John Richards, Bruce Kay, Peter Watson, Albany Bay Minerals Pty Ltd and Carnegie Wylie & Company Pty Ltd, each entered into an agreement with Scarborough and Minsec under which one Class D option over Minsec Shares (the "Class D Options") would be issued to them for every 37.5 Scarborough Class B Options held in consideration for the cancellation of those Scarborough Class B Options.

(k) On 12 April 2007, Scarborough and Minsec entered into an agreement with each of MP Mining Pty Ltd and BSG Gold BVBA (each, a "Convertible Shareholder") pursuant to which each Convertible Shareholder transferred its convertible redeemable preference shares in Scarborough to Minsec (or its nominee) in consideration for the right to be issued, in the case of MP Mining Pty Ltd, not more than 2,490,722 shares in Minsec and, in the case of BSG Gold BVBA, not more than 390,133 shares in Minsec. The right of the Convertible Shareholders to be issued shares in Minsec under this agreement will only arise if the board of Minsec resolves to conduct a definitive feasibility study in relation to the Zarmitan gold project, (which is Scarborough's proposed project relating to the Zarmitan goldfield in the Samarkand Province of south-eastern Uzbekistan, known as "Charmitanon", held by its wholly-owned subsidiary Multiplex Development Zarmitan Limited) on or before 26 October 2010.

(l) On 12 April 2007, each of Robert Champion de Crespigny AC and Mark Carnegie entered into agreements with Scarborough and Minsec in relation to their entitlements to awards under the Scarborough Long Term Incentive Plan (the "Scarborough LTIP"). Mr Carnegie agreed to cancel his entitlement to awards under the Scarborough LTIP (and terminate his employment with Scarborough) in consideration for the issue of 512,000 shares in Minsec. Mr Champion de Crespigny AC agreed to cancel his entitlement to awards under the Scarborough LTIP in consideration for the grant of essentially similar awards under the Minsec Long Term Incentive Plan.

(m) On 12 April 2007, Mr Robert McDonald entered into an agreement with Minsec and Scarborough pursuant to which his rights to be issued options under the Scarborough Non-Executive Director's Share Option Plan were cancelled in consideration for the issue of 280,000 Class E options over shares in Minsec.

(n) In March and May 2007, Minsec Australia participated in a fund-raising by CopperCo pursuant to which it agreed to subscribe for an aggregate of 10,000,000 CopperCo Shares at a price of A$0.45 per CopperCo Share and 5,500,000 convertible notes with a face value of A$1 each. The fund-raising was to raise a total of A$30 million to fund continuing exploration and the planned production expansion of the Lady Annie Project. The first tranche, which consisted of 6,666,667 CopperCo Shares, was completed on 13 March 2007 in consideration for the payment by Minsec Australia of A$3,000,000. The second tranche was completed on 7 May 2007 and consisted of a further payment of A$1,500,000 for 3,333,333 CopperCo Shares and subscription for the 5,500,000 convertible notes. The convertible notes do not bear interest and are

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convertible at A$0.45 into a total of 12,222,222 CopperCo Shares. On 20 September 2007, a call notice was issued for A$3,600,000 of the convertible notes which was converted into 8,000,000 CopperCo Shares in accordance with the terms of the convertible note. A further call notice was issued on 13 March 2008 for the balance of A$1,900,000 of the convertible notes which were converted into 4,222,222 CopperCo Shares.

(o) On 21 March 2007, Scarborough entered into an agreement with Golden Investments Holdings Limited, Gilan Holdings Limited (together, the "Sellers") and Chaarat pursuant to which Scarborough agreed to purchase from the Sellers 7,000 issued shares in the capital of Chaarat and subscribe for 15,671 new shares in the capital of Chaarat in consideration for the payment of US$6,924,049. This investment gave Scarborough a 12% shareholding in Chaarat. Chaarat is a Guernsey company whose principal asset is the 100% owned Chaarat gold project, located in north-western Kyrgyzstan. The subscription monies are to be used to fund an increased exploration effort on the Chaarat project during 2007. Scarborough was also granted three options to subscribe for up to 14,368 new Chaarat shares for a maximum aggregate subscription price of US$4,999,917. These options are short dated options with an exercise expiry date of 31 August 2007 or 31 December 2007. Exercise of these options would result in Scarborough's shareholding in Chaarat increasing to approximately 18% of Chaarat's issued share capital. Pursuant to this agreement, Scarborough has the right to have a number of the Chaarat shares it subscribed for bought back by Chaarat at US$319 per share if the exploration licence held by Chaarat's subsidiary is withheld or nationalised by the Kyrgyzstan government before the earlier of 31 December 2007 and the date on which Chaarat is publicly listed on a regulated stock exchange. The shares are to be bought back using the residual of Scarborough's subscription monies (if any) less US$650,000 (to be left in Chaarat's account) and net of the amount required to satisfy Chaarat's third party contractual commitments. Under this agreement, Robert Champion de Crespigny AC, as Scarborough's nominee, was appointed as a non-executive director on the board of directors of Chaarat. On the same date, Scarborough also entered into an agreement with Chaarat pursuant to which Chaarat granted Scarborough 1,000 options each to subscribe for one share in Chaarat at US$319 per share and expiring on the tenth anniversary of the date of grant of the options.

(p) On 21 March 2007, Scarborough entered into a deed with Chaarat and Chaarat's four major shareholders, Chase Nominees Limited, Mada Nominees Limited, Serra Choa Management Limited and Vetan Investments Limited (the "Chaarat Shareholders") pursuant to which each of the Chaarat Shareholders and Scarborough agreed, as between each other, not to dispose of their shares in Chaarat without first offering those shares to the other parties. The pre-emptive rights under this deed do not apply to a disposal by any of the Chaarat Shareholders to a related body corporate of that Chaarat Shareholder or, in the case of Scarborough, to any person it nominates to hold any of its shares in Chaarat within 30 days of the completion date under the share purchase agreement with Chaarat Gold Limited.

(q) On 22 February 2007, Minsec Australia announced that it had entered into various agreements with a number of investors to acquire, in aggregate, 7,032,143 CopperCo Shares, 24,107,000 shares in Tianshan Goldfields Limited and 2,233,001 options over shares in Tianshan Goldfields Limited (which are exercisable at a price of A$0.20 and expire on 30 June 2008). As consideration for these acquisitions, Minsec Australia issued a total of 9,700,047 ordinary shares on 19 April 2007. The sale and purchase agreements contain standard warranties on the part of the various sellers and Minsec.

(r) On 24 January 2007, Minsec Australia, as borrower (the "Borrower"), entered into a A$8,000,000 revolving credit agreement (the "Credit Agreement") with Macquarie Bank as lender and Mineral Securities Holdings Pty Ltd and Platmin Holdings Pty Ltd each as guarantors. On 19 December 2007, Minsec acceded to the Credit Agreement as a guarantor and, in June 2008 Kadina Pty Ltd acceded to the Credit Agreement as a guarantor (together with Mineral Securities Holding Pty Ltd and Platmin Holdings Pty Ltd the "Guarantors"). The facility has been increased to A$45,000,000, and the maturity date has been extended and is now 31 December 2008. The interest rate is 3% above the Australian interbank base rate (as displayed at the relevant time on Reuters page "BBSY"). The Credit Agreement includes representations and warranties from the Borrower and the Guarantors (each, an "Obligor") in favour of Macquarie Bank which are in fairly standard form for a facility of this nature. The Credit Agreement includes undertakings by each Obligor which are also in fairly standard form for a facility of this nature. The undertakings given by the Obligors include, but are not limited to, a prohibition on dividends, a negative pledge and an undertaking to grant equitable share mortgages over any shares or other securities held by an Obligor (other than Minsec). Buka Minerals (Lady Loretta No. 2) Pty Ltd has also provided certain undertakings. The Credit Agreement contains events of default upon which Macquarie Bank may call for repayment of the debt including, but not limited to, non-payment, breach of representation or undertaking, cross-default, insolvency, material adverse change, Minsec ceasing to be listed on ASX or AIM and change of control of any Obligor. Under a guarantee dated 24 January 2007 between Mineral Securities Holdings Pty Ltd, Platmin Holdings Pty Ltd and Macquarie Bank, and acceded to by Minsec on 19 December 2007, the Guarantors guarantee all amounts owing under the Credit Agreement and related documents. The Obligors (other than Minsec) have variously granted security over certain of their assets in favour of Macquarie Bank, as security for amounts owing under the Credit Agreement and related documents.

(s) On 31 July 2006, Scarborough, Danae and MRK entered into a subscription and shareholders' agreement with CVRD International SA ("CVRD International"), a wholly-owned subsidiary of Vale, to advance the Vostok copper project. On 12 June 2007, following satisfaction of various conditions precedent, CVRD International acquired an 85% equity interest in MRK and must now spend an initial US$4 million over two years to progress Vostok to the stage of completion of a pre-feasibility study. Part of this initial US$4 million expenditure will be used to reimburse Scarborough for all expenditures on Vostok from 1 January 2005 to 12 June 2007, when the subscription transaction closed. At completion of the initial US$4 million spend, CVRD International will have the option to retain its 85% interest in MRK through the payment of US$1 million to Scarborough, and 100% equity funding of a bankable feasibility study ("BFS") targeting the development of Vostok as a major copper project. CVRD International has committed to minimum capital contributions of US$1.6 million before it can withdraw

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and, if it withdraws prior to the completion of the BFS, its 85% interest reverts to Scarborough. At completion of a successful BFS, Scarborough is able to elect to contribute to the funding of its remaining share of the project (15%) or convert its share to a 1.5% net smelter return royalty position in exchange for CVRD International funding 100% of the implementation costs.

(t) On 28 July 2006, Minsec Australia entered into a lock-in agreement whereby it agreed not to dispose of any of its shares in Platmin for 12 months following the date of admission of such shares to AIM (10 August 2006) and not to dispose of such shares except in accordance with certain orderly market arrangements for a further period of 12 months (to 9 August 2008).

(u) On or about 30 July 2006, Scarborough Group entities agreed with CopperCo to:

(i) exchange a A$3 million receivable due from CopperCo into 7,500,000 shares in CopperCo; and

(ii) exchange a A$l million receivable due from CopperCo into 2,500,000 shares in CopperCo contingent on CopperCo executing a finance facility (and that finance becoming unconditionally available) for the development of the Lady Annie Project.

The exchanges in paragraphs (i) and (ii) above have completed.

(v) On or about 30 July 2006, Scarborough Group entities agreed to transfer 37,500,000 CopperCo Shares to Minsec Australia in consideration for the issue of 11,668,668 Minsec Australia shares to Scarborough, in a series of transactions each of which have completed. This agreement, which provided for the equity exchange of the final 2,500,000 CopperCo Shares for the issue of 777,911 Minsec Australia shares, automatically terminated upon the Merger becoming effective.

(w) On 20 February 2006, Danae, which became a subsidiary of Scarborough on the completion of the Three-Way Merger, entered into a Trust Deed with Multiplex Development Zarmitan Limited ("MDZ"), which also became a subsidiary of Scarborough following the completion of the Three-Way Merger, and MP Mining Pty Ltd ("MM") pursuant to which MM acknowledged that all negotiations undertaken by it with the State Committee on Geology and Mineral Resources of the Republic of Uzbekistan and the Navoi Mining and Metallurgy Combinat were undertaken on behalf of MDZ. All rights accruing to MM in respect of such negotiations will be held on trust absolutely for MDZ.

(x) On 16 October 2005, Mineral Securities Golden Sea Limited ("MSGSL") and Qixia Jinxing Mining Company ("QJMC") entered into a co-operative venture (the "JV Agreement") to jointly invest in and establish a twenty-five year joint venture in Qixia City, Shandong in the Peoples Republic of China ("PRC") for the exploration and development of metals and minerals (in particular, gold) through Shandong Yantai Golden Sea Mining Company Limited, (the "JV Company"), being a limited liability company.

The principal terms of the JV Agreement are as follows:

(i) QJMC will own 25% and MSGSL will own 75% of the registered capital of the JV Company on the satisfaction of (1) MSGSL capital contributions in the JV Company (as set out below) and (2) QJMC's co-operation conditions (as set out below);

(ii) MSGSL will contribute US$1.2 million to the JV Company within two years (failing which the exploration tenements and data will revert to QJMC) and may elect to contribute up to a total of US$10,000,000 (by way of its contribution to the registered capital of the JV Company) in one or more stages depending on the prospect for development of the exploration tenements and mining tenements;

(iii) QJMC will transfer to the JV Company its exploration tenements (being the rights issued pursuant to the Mineral Resources Law of PRC to specific tenements) and data (being geological, geophysical, geochemical, prospecting, mining and other scientific and technical information) to the JV Company;

(iv) Once the parties have made their capital contributions to the JV Company, each will be required to contribute towards the expenditure of the JV Company in proportion to its percentage ownership interest of the registered capital or a particular project. The percentage ownership in respect of each project will vary based on each party's contributions to any particular project;

(v) QJMC's role is, amongst other things, to assist the JV Company in respect of aspects of its business in the PRC whilst MSGSL's role is, amongst other things, to assist the JV Company in respect of international aspects of its business;

(vi) Prior written consent of the other party is required if either QJMC or MSGSL wishes to transfer its interest in the registered capital to a third party or to set up a company or enterprise in competition with the JV Company; and

(vii) The JV Agreement is governed by the published laws of the PRC.

7. Material contracts of the CopperCo Group

Your attention is drawn to the summary at paragraph 15 of Part V of the Prospectus Equivalent Document of those material contracts, not being contracts entered into in the ordinary course of business, which have been entered into by any member of the CopperCo Group since 29 January 2006, being the period of two years immediately preceding the commencement of the Offer Period.

8. Minsec Directors' service contracts and letters of appointment

(a) The following are details of the existing arrangements with the Minsec Directors:

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(i) ***Robert James Champion de Crespigny AC***

On 30 August 2006, Robert Champion de Crespigny AC entered into a service contract with Scarborough relating to his appointment as Chairman with effect from 19 April 2006. The service contract is for a term of 12 months' but shall continue thereafter until terminated by either party on 12 months' notice. The contract may be terminated summarily in certain circumstances without notice or payment in lieu of notice or obligation to pay compensation for breach of contract. Pursuant to the terms of the service contract, Robert Champion de Crespigny AC was entitled to a salary of £66,000 per annum along with reimbursement of all reasonable travelling, hotel and other expenses properly and necessarily incurred in the performance of his duties. If Robert Champion de Crespigny AC is prevented by sickness or injury from properly performing his duties under the agreement, he shall continue to be paid his salary during any absence due to sickness or injury (such payment to be inclusive of any statutory sick pay or social security benefits to which he may be entitled) for a period in total of no more than 13 weeks in any consecutive period of 12 months. Thereafter no further entitlement will arise until Robert Champion de Crespigny AC has resumed his duties for a period of 26 weeks without further absence. Robert Champion de Crespigny AC shall (in addition to the eight public holidays observed by the company) be entitled to 25 days paid holiday in each holiday year (which runs from 1 June to 31 May in any year) to be taken at such times as shall be convenient and agreed by the board of directors. The terms of the service contract were subsequently varied so as to provide for a salary of £80,000 per annum and a travel allowance of £20,000 per annum (the service contract, as varied, being the "Service Contract"). As at 20 June 2008 (being the latest practicable date prior to the publication of this document), this amendment to the service contract has not been formally documented, although the Minsec Group treats the amendment as being effective.

Also on 30 August 2006, a separate arrangement was entered into, in addition to the Service Contract, relating to Robert Champion de Crespigny AC's overseas services to provide for an additional salary of £34,000 per annum (the "Overseas Contract"). At the same time as the variation that was made to the Service Contract, the Overseas Contract was varied so as to provide for remuneration of £20,000 per annum.

On 20 July 2007, the Service Contract was further varied so as to provide for a salary of £110,000 per annum and the Overseas Contract was replaced by a director's fee payable by Minsec of US$100,000. Robert Champion de Crespigny AC has also been granted an award under the Minsec LTIP and is entitled to receive up to a total of 3,840,000 Minsec Shares on and subject to the terms of the Minsec LTIP. For further details on the treatment of Mr Champion de Crespigny AC's entitlement under the Minsec LTIP, please refer to paragraph 4 of Part II of this document.

Robert Champion de Crespigny AC (or companies to which he is connected) has also been granted Class D Options over Minsec Shares. Robert Champion de Crespigny AC is not entitled to any other benefit or payment, except as determined by the Remuneration Committee in its absolute discretion.

In the event Minsec terminates Robert Champion de Crespigny AC's service arrangement, Mr de Crespigny would receive payment in lieu of notice.

(ii) ***Keith Liddell***

The service contract entered into on 22 July 2002 between Keith Liddell and Minsec Australia in respect of his position as Minsec Chief Executive Officer has ended and it was intended that such service contract would be replaced by a new service contract that would provide for a UK salary of £240,000 and overseas remuneration of US$320,000 including US$100,000 of directors fees and from which US$200,000 per annum is to be deducted in recognition of the salary Mr Liddell receives from Platmin. It was also intended that Mr Liddell's arrangement may be terminated by either party giving 12 month's notice. In August 2007, Mr Liddell received advances from Minsec Group companies of £65,000 in respect of expenses and of £150,000 in respect of salary. For his services to Minsec, Keith Liddell has been granted an award under the Minsec LTIP with the right to receive up to a total of 3,840,000 Minsec Shares on and subject to the terms of the Minsec LTIP. For further details on the treatment of Keith Liddell's entitlement under the Minsec LTIP, please refer to paragraph 4 of Part II of this document.

Keith Liddell has also been granted Class B Options.

In the event Minsec terminates Keith Liddell's service arrangement, Mr Liddell would receive payment in lieu of notice.

(iii) ***Stephen Phipps***

Stephen Phipps was appointed as a non-executive director of Scarborough under a letter of appointment dated 28 February 2006. Under the letter of appointment, Phipps & Company Limited (a company controlled by Stephen Phipps) provides Stephen Phipps' services. Pursuant to the letter, Phipps & Company Limited received fees of £25,000 per annum (or such other rate as may be agreed from time to time). Stephen Phipps is not entitled to receive any other benefits or additional fees and, upon ceasing to be a director, shall not be entitled to receive any payment except accrued fees for past services. The appointment was for an initial term of 12 months terminable on one month's notice expiring on or after the initial 12 month term by Scarborough and on one month's notice at any time by Stephen Phipps. In certain circumstances, the appointment may be terminated automatically without Stephen Phipps or Phipps & Company Limited becoming entitled to any compensation and without the need for notice to be served or for any payment to be made in lieu of notice.

Minsec had intended to enter into a new agreement on similar terms with Phipps & Company Limited in respect of Stephen Phipps' services as a director of Minsec but this has not yet been documented. Stephen Phipps is eligible to participate in the Minsec NEDSOS but has elected not to do so.

(iv) ***Sir Bruce MacPhail***

Sir Bruce MacPhail was appointed as a senior non-executive director of Scarborough under a letter of appointment dated 13 April 2006, as amended by a letter dated 6 December 2006.

Pursuant to this letter, Sir Bruce MacPhail received fees of £37,500 per annum and is entitled to reimbursement of any business expenses which are reasonably incurred. Sir Bruce MacPhail is not entitled to receive any other benefits or additional fees and, upon ceasing to be a director, shall not be entitled to receive any payment except accrued fees for past services. The appointment was for an initial term of 12 months terminable on one month's notice expiring on or after the initial 12 month term by Scarborough and on one month's notice at any time by Sir Bruce MacPhail. In certain circumstances, the appointment may be terminated automatically without Sir Bruce MacPhail becoming entitled to any compensation and without the need for notice to be served or for any payment to be made in lieu of notice.

Minsec had intended to enter into a new agreement on similar terms with Sir Bruce MacPhail in respect of his services as a director of Minsec but this has not yet been documented. Sir Bruce MacPhail has also been granted options over Minsec Shares under the Minsec NEDSOS.

(v) ***Nigel Hamway***

Nigel Hamway has been appointed as a director of Minsec under a letter of appointment dated 14 September 2007. Pursuant to this letter, Nigel Hamway receives a director's fee of US$50,000 per annum (which he may elect to receive completely or partially in the form of options under the Minsec NEDSOS) and is entitled to reimbursement of any travelling, hotel and other expenses properly incurred in the course of business. The appointment took effect on 24 September 2007 and will continue until the later of three years from the first date of quotation by ASX of the Minsec's securities and the third annual general meeting following the appointment unless terminated earlier in accordance with the Minsec Constitution. The appointment will continue for further terms, subject to re-election at future annual general meetings or earlier termination in accordance with the Minsec Constitution.

Nigel Hamway has been granted options over Minsec Shares under the Minsec NEDSOS.

(vi) ***Hon. John Moore AO***

Hon. John Moore AO is party to an officer protection deed with Minsec which provides for, *inter alia*, access to and use of board documents by the director, confidentiality obligations on the part of the director and the provision of directors' and officers' insurance. Hon. John Moore AO receives from Minsec remuneration of US$50,000 per annum.

(b) Save as disclosed in paragraph (a) above, none of the service agreements described above were entered into during the six months preceding the date of this document nor have any amendments been made to any such service agreements during that period.

9. Disapplication of the Code

Certain pieces of information required to be included in this document under the Code have been incorporated by reference to the Prospectus Equivalent Document.

The following provisions of the Code have been waived as announced by Minsec prior to the publication of this document:

Provision of the Code	*Description of the provisions being disapplied*
Rules 2.5(b)(ix), 8.1, 8.2 and 8.3 of the City Code (and provisions relating to that rule)	The Code requirement for the Announcement to state a summary of the provisions of Rule 8 of the City Code (which relate to the dealings by parties and their associates). The Code requirement for the disclosures of certain dealings by parties and by associates for themselves or for discretionary clients (Rule 8.1), certain dealings by parties and associates for non-discretionary clients (Rule 8.2) and certain dealings by persons with interests in securities representing 1% or more (Rule 8.3) to be announced.
Rule 3.2 of the City Code (and provisions relating to that rule)	The Code requirement for the board of an offeror to obtain competent independent advice on any offer when the offer being made is a reverse takeover or when the directors are faced with a conflict of interest. The substance of this advice must be made known to its shareholders.
Rule 13.4 of the City Code (and provisions relating to that rule)	The Code requirement that an offeror should not invoke any condition or precondition so as to cause the offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to the offeror in the context of the offer. The acceptance condition is not subject to this provision.
Rule 15(a) of the City Code (and provisions relating to that rule)	When an offer is made for voting equity share capital or for other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure that their interests are safeguarded. Equality of treatment is required.

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Provision of the Code	*Description of the provisions being disapplied*
	Note this waiver is only in respect of the treatment of the conditional rights to be issued shares which may convert into 2,880,855 Minsec shares upon certain conditions being satisfied.
Rule 30.1(a) of the City Code (and provisions relating to that rule)	The Code requirement for this document to be posted to shareholders of the offeree company within 28 days of the Announcement. Note that the deadline was extended initially to up to 60 days after the date of the Announcement, then to 7 June 2008 and then finally to 30 June 2008.

The following provisions of the Code have also been waived:

Provision of the Code	*Description of the provisions being disapplied*
All relevant provisions of the City Code	All provisions of the City Code will be disapplied in connection with the offer being made to the Unmarketable Parcel Holders.
All relevant provisions of the City Code	All provisions of the City Code will be disapplied in connection with the offer made to the holders of Minsec Share Options and Minsec LTIPs.
Rule 24.2(c)(i) (and provisions relating to that rule)	The Code requires this document to include certain financial information about CopperCo and Minsec. So far as appropriate, this information is included in the Prospectus Equivalent Document and is cross-referred to in this document.
Rule 24.3 and Rule 25.3 of the City Code (and provisions relating to that rule)	The Code requires the disclosure of certain interests and dealings in Minsec and CopperCo relevant securities (as defined in this Appendix III) to be disclosed. The Code requires these disclosures to be made without qualification. This requirement will be waived entirely with respect to dealings and all other required disclosures will be qualified by awareness.
Rule 29 of the City Code (and provisions relating to that rule)	The Code requires certain information to be included in this document where asset valuations are given in connection with an offer. These provisions have been disapplied in relation to the valuations prepared by KPMG on 28 March 2008 in respect of Minsec's Lady Loretta and Sappes project (as defined in the Prospectus Equivalent Document as the "KPMG Valuations"). The KMPG Valuations are not replicated in this document.

10. Basis of calculation and sources of information

(a) Unless otherwise stated in this document, the financial information concerning CopperCo and Minsec has been taken from Part II of the Prospectus Equivalent Document.

(b) The various closing prices of CopperCo Shares and Minsec Shares on ASX, as referred to in this document, have been retrievd using IRESS Market Technology Limited applications.

(c) The various Closing Prices of Minsec Shares on AIM have been derived from the Daily Official List and represent the closingmiddle market prices on the relevant date.

11. General

(a) Except as disclosed in this document no agreement, arrangement or understanding (including any compensation arragement) exists between CopperCo or any party acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of Minsec or any person interested or recently interested in shares of Minsec, having any connection with or dependence upon the Offer.

(b) Except as disclosed in this document, there is no agreement, arrangement or understanding by which the legal or beneficial ownership of any of the Minsec Shares which are the subject of the Offer and to be acquired by CopperCo will be transferred to any other person, but CopperCo reserves the right to transfer any such Minsec Shares to any other member of the CopperCo Group or any joint venture, partnership, firm or company in which it or CopperCo has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such Minsec Shares in favour of any other person.

(c) The emoluments receivable by the current CopperCo Directors will not be automatically varied as a consequence of the Offer.

(d) Except as disclosed in this document, there are no agreements or arrangements to which CopperCo is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer and the consequences of it doing so.

(e) Cutfield Freeman has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which it appears.

(f) The Minsec Directors are not aware of any material change in the financial or trading position of the Minsec Group since 31 March 2008 (being the date to which the latest unaudited accounts of Minsec were prepared which are set out in Section F of Part II of the Prospectus Equivalent Document).

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(g) Except as disclosed in paragraph 21.1 of Part V of the Prospectus Equivalent Document, the CopperCo Directors, are not aware of any material change in the financial or trading position of the CopperCo Group since 31 December 2007 (being the date to which the latest unaudited accounts of CopperCo were prepared which are set out in Section E of Part II of the Prospectus Equivalent Document).

(h) Settlement of the consideration to which any Minsec Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, set-off, counterclaim or other analogous right to which CopperCo or UBS may otherwise be, or claim to be, entitled against such Minsec Shareholder.

12. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at CopperCo's registered office, Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia 6000 and at the offices of Minsec, 14 Golden Square, London W1F 9JF, until the end of the Offer Period:

(a) the Constitution;

(b) the Minsec Constitution;

(c) the published audited consolidated accounts of CopperCo for each of the two financial years ended 30 June 2007 and 30 June 2006, and the unaudited half year financial report for the six months ended 31 December 2007;

(d) the published audited consolidated accounts of Minsec for the financial period ended 30 September 2007, of Scarborough for the period ended 30 September 2006 and the half year financial report of Minsec for the six months ended 31 March 2008;

(e) the material contracts referred to in paragraph 15 of Part V of the Prospectus Equivalent Document and paragraph 6 of Appendix III of this document;

(f) the service agreements referred to in paragraph 8 of Appendix III of this document;

(g) the letter of consent referred to in paragraph 11(e) of Appendix III of this document;

(h) the irrevocable undertakings to accept the Offer referred to in paragraph 5 of Appendix III of this document; and

(i) this document, the Prospectus Equivalent Document, the Australian Prospectus, the Form of Acceptance and the CDI Acceptance Form.

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DEFINITIONS

"1985 Act"	the Companies Act 1985, as amended from time to time, of the United Kingdom;
"A$"	the lawful currency of Australia;
"Accepting Unmarketable Parcel Holder"	an Unmarketable Parcel Holder who accepts the Offer prior to the commencement of any Subsequent Acquisition Transaction;
"Acquisition"	the proposed acquisition by CopperCo of Minsec pursuant to the Offer;
"acting in concert"	has the meaning given by the City Code;
"AIM"	the market of that name operated by the London Stock Exchange;
"Announcement"	the announcement made by CopperCo and Minsec on 29 January 2008 regarding the Acquisition;
"Announcement Date"	the date of the Announcement, being 29 January 2008;
"ASIC"	the Australian Securities and Investments Commission;
"ASTC"	the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532);
"ASTC Settlement Rules"	the settlement rules made by ASTC in force for the time being;
"ASX"	ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange (as the context requires);
"ASX Listing Rules"	the listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express waiver by the ASX;
"Australia"	the Commonwealth of Australia, its states, possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof;
"Australian Broker Participant"	an Australian broker admitted as a participant under the ASTC Settlement Rules;
"Australian EST"	Australian eastern standard time;
"Australian Non-Broker Participant"	an entity admitted to participate in CHESS under the ASTC Settlement Rules;
"Australian Prospectus"	means a prospectus providing Minsec Shareholders resident in Australia and New Zealand with the additional information required by the Corporations Act;
"Bidding Agreement"	the bidding agreement entered into by CopperCo and Minsec on 29 January 2008;
"Board" or "Boards"	as the context requires, the board of directors of Minsec and/or the board of directors of CopperCo and the terms "Minsec Board" and "CopperCo Board" shall be construed accordingly;
"Buka Minerals"	Buka Minerals Pty Limited (formerly Buka Minerals Limited), a company registered in Australia (ACN 000 741 373), formerly listed on ASX (ticker BKA);
"Business Day"	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in the City of London are open for normal business;
"BVI"	British Virgin Islands;
"BVI Act"	the BVI Business Companies Act 2004 (Virgin Islands), as amended;
"Canada"	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof;
"Cash Election"	the election for cash consideration that may be made by Accepting Unmarketable Parcel Holders in accordance with the procedure set out in paragraph 7.9 and 14 of Part I of the Prospectus Equivalent Document;

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"CDI"	CHESS Depository Interests in respect of Minsec Shares, being quoted on the ASX and conferring a beneficial interest in the underlying Minsec Shares to which they relate;
"CDI Acceptance Form"	the form of acceptance and authority relating to the Offer which, in relation to Minsec Shares held as CDIs, accompanies this document;
"CDI Holder"	a holder of one or more CDIs;
"CDI Nominee"	CHESS Depository Nominees Pty Limited, a company registered in Australia (ACN 071 346 506);
"certificated" or "in certificated form"	a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form and which is not uncertificated form (that is not in CREST or a CDI);
"Chaarat"	Chaarat Gold Holdings Limited, a company registered in the British Virgin Islands under number 142 0336 and whose shares are admitted to trading on AIM (ticker CGH);
"CHESS"	Clearing House Electronic Sub-register System for the electronic transfer of securities, operated by ASTC;
"Closing Date"	the date on which the Transaction Period in respect of the takeover offer for Minsec Shares (including, where relevant, UK DIs or CDIs in respect of such shares), and for Minsec Shares that come into existence during the Transaction Period upon the exercise of the Minsec Shares Options or pursuant to the Minsec LTIP, to be made by CopperCo in accordance with the provisions of Minsec's Constitution (which incorporates provisions of the City Code, except to the extent varied by agreement) on the terms and conditions set out in Section A of Part IV of the Prospectus Equivalent Document and the Announcement, ends being the earlier of the date on which the aforementioned takeover offer completes and the date on which the aforementioned offer lapses;
"Closing Price"	the closing middle market quotation of a Minsec Share on a particular day, as derived from the AIM Appendix of the Daily Official List;
"Code" or "City Code"	the UK City Code on Takeovers and Mergers;
"Company" or "CopperCo"	CopperCo Limited, a company incorporated in Australia (ACN 004 434 904) whose shares are listed on ASX (ticker CUO), and/or as the context may require, one or more directly or indirectly owned subsidiaries of CopperCo;
"Companies Act" or "Companies Act 2006"	the Companies Act 2006, as amended from time to time, of the United Kingdom;
"Computershare Australia"	Computershare Investor Services Pty Ltd;
"Computershare UK"	Computershare Investor Services PLC;
"Consolidated Minsec Group"	the ongoing consolidated economic entity for accounting purposes being Buka Minerals prior to the Three-Way Merger and Minsec after the Minsec Scarborough Merger;
"Constitution"	the constitution governing the Company;
"Controlling Participant"	the Australian Broker Participant or Australian Non-Broker Participant that has the capacity in CHESS to transfer the Minsec Shares subject to CDIs;
"CopperCo Directors" or "CopperCo Board"	the directors of CopperCo whose names are set out in paragraph 2 (a) of Appendix III of this document;
"CopperCo Group"	CopperCo and its subsidiary undertakings;
"CopperCo Nominee"	UBS AG, Australia Branch, a foreign company registered in Australia (ARBN 088 129 613), or it's affiliate;
"CopperCo Shareholders"	the holders of CopperCo Shares;
"CopperCo Shares"	ordinary shares in the capital of CopperCo;
"CopperCo Treasury Shares"	CopperCo Shares held by Minsec (being, as at 20 June 2008, approximately 92 million CopperCo Shares);
"Corporations Act"	the Corporations Act 2001 (Commonwealth of Australia);

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"CREST"	the relevant system in the UK (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
"CREST Manual"	the CREST manual issued by Euroclear from time to time;
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the Regulations);
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.1. 2001 No. 3755);
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor;
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member;
"Cutfield Freeman"	Cutfield Freeman & Company Limited (registered in England and Wales with registered number 4102470);
"Cyprus Investment Services"	"Investment Services or Activities" or "Ancillary Services" (as such terms are defined in the Cyprus IS Law);
"Cyprus IS Law"	the Investment Services and Activities and Regulated Markets Law of 2007 (Cyprus) and any Directives that may be issued from time to time pursuant thereto;
"Daily Official List"	the Daily Official List published by the London Stock Exchange;
"Danae"	Danae Resources Pty Limited, a company registered in Australia (ACN 009 173 880), formerly Danae Resources NL;
"Electronic Acceptance"	an escrow account adjustment input (AESN), transaction type "ESA" (as described in the CREST Manual);
"Enlarged CopperCo Group" or "ECG"	the CopperCo Group as enlarged by the proposed acquisition of the Minsec Shares pursuant to the Offer;
"Escrow Agent"	Computershare Investor Services PLC in its capacity as an escrow agent (as described in the CREST Manual);
"Euroclear"	Euroclear UK & Ireland Limited;
"Form of Acceptance"	the form of acceptance and authority relating to the Offer which, in relation to Minsec Shares held in certificated form, accompanies this document;
"Forms of Acceptance"	the Form of Acceptance and CDI Acceptance Form;
"FSA" or "Financial Services Authority"	the Financial Services Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000, as amended, of the United Kingdom;
"GST"	has the meaning given in the GST Act;
"GST Act"	the A New Tax System (Goods and Services Tax) 1999 (Commonwealth of Australia);
"Independent Directors of CopperCo"	Brian Rear, Richard Basham and Peter Patrikeos, being the CopperCo Directors who are not Minsec Directors;
"Independent Directors of Minsec"	Robert Champion de Crespigny AC, Sir Bruce MacPhail, Nigel Hamway and Stephen Phipps, being the Minsec Directors who are not CopperCo Directors;
"ISIN"	International Securities Identifying Number;
"Issuer Sponsored Holding"	has the meaning given in the ASTC Settlement Rules;
"Japan"	Japan, its cities and prefectures, its possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof;
"Lady Annie Operations"	Lady Annie Operations Pty Ltd, a company registered in Australia (ACN 076 289 097);
"Lady Annie" or the "Lady Annie Project"	the Lady Annie copper project located approximately 120 km north of Mount Isa in Queensland, Australia which is wholly owned by the CopperCo Group;

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"Lady Loretta" or "Lady Loretta Project"	the Lady Loretta zinc project in Queensland, Australia which is 25% owned by a wholly-owned subsidiary of Buka Minerals, Buka Minerals (Lady Loretta No 2) Pty Limited;
"London Stock Exchange"	London Stock Exchange plc, or its successor;
"Macquarie Bank"	Macquarie Bank Limited a company registered in Australia (ACN 008 583 542);
"member account ID"	the identification code or number attached to any member account in CREST;
"MESOS"	the Minsec Executive Share Option Scheme approved by the Minsec Directors on 12 April 2007;
"Minsec"	Mineral Securities Limited, a company incorporated in the British Virgin Islands (registered number 1390447) whose shares are listed on AIM and ASX (ticker MXX) and/or as the context may require, one or more indirectly or directly owned subsidiaries of Mineral Securities Limited;
"Minsec Australia"	Mineral Securities Operations Limited (formerly known as Mineral Securities Limited), a company registered in Australia (ACN 091 158 593), and/or as the context may require one or more, directly or indirectly owned subsidiaries of Mineral Securities Operations Limited;
"Minsec Constitution"	the constitution governing Minsec;
"Minsec Directors"	Robert Champion de Crespigny AC, Keith Liddell, Stephen Phipps, Nigel Hamway, Hon. John Moore AO and Sir Bruce MacPhail;
"Minsec Group"	Minsec and its subsidiary undertakings;
"Minsec LTIP"	the Long Term Incentive Plan approved by the Minsec Directors on 12 April 2007;
"Minsec LTIP Beneficiaries"	Keith Liddell and Robert Champion de Crespigny AC;
"Minsec Optionholders"	holders of Minsec Share Options;
"Minsec Shareholder(s)" or "Shareholder(s)"	the holders of Minsec Shares;
"Minsec Share Options"	together all Class B, Class D, Class E and Class F options subsisting over Minsec Shares and all options subsisting over Minsec Shares granted pursuant to the MESOS and the NEDSOS;
"Minsec Shares"	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of no par value in the capital of Minsec and any further ordinary shares of no par value which are unconditionally allotted or issued fully paid (or credited as fully paid) before the date on which the Offer ceases to be open for acceptance (or, with the consent of Minsec, by such other date as CopperCo may decide). For the avoidance of doubt this includes UK DIs and CDIs;
"Minsec Treasury Shares"	Minsec Shares (or DIs and CDIs in respect of such shares) held by Minsec or its subsidiaries (being, as at 20 June 2008, 13,961,804 shares held by Mineral Securities Limited;
"MRK"	Multiplex Resources (Kazakhstan) Limited, a company registered in England and Wales with company number 3773661;
"NEDSOS"	the Minsec Non-executive Directors' Share Option Scheme approved by the Minsec Directors on 12 April 2007;
"New CopperCo Shares"	the new CopperCo Shares to be issued, credited as fully paid, in connection with the Offer;
"Non-Accepting Unmarketable Parcel Holder"	an Unmarketable Parcel Holder who has not accepted the Offer prior to the commencement of any Subsequent Acquisition Transaction;
"Offer"	the recommended offer by CopperCo to acquire all of the Minsec Shares on the terms and subject to the conditions set out or referred to in this document and, in relation to Minsec Shares in certificated form, the Form of Acceptance and, in relation to CDIs, the CDI Acceptance Form (including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer);

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"Offer Period"	the period commencing on 29 January 2008 until whichever of the following dates shall be the latest (i) the first closing date of the Offer; and (ii) the earlier of (a) the date and time at which the Offer becomes or is declared unconditional as to acceptances; or (b) the date and time at which the Offer lapses or is withdrawn;
"overseas person"	any person who is not resident in the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom, or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any country other than the United Kingdom;
"Overseas Shareholder"	Minsec Shareholders resident in, or citizens or nationals of, jurisdictions outside the United Kingdom, Australia, New Zealand, Hong Kong, the Republic of Ireland or Cyprus or (if such person is an "accredited investor" as defined in Regulation D) the United States or who are nominees of, or custodians, trustees or guardians for, citizens or nationals of such jurisdictions;
"Panel"	the United Kingdom Panel on Takeovers and Mergers;
"participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
"Platmin"	Platmin Limited, a company incorporated in Canada with corporate number 610178-0 and listed on AIM and the TSX (ticker PPN);
"pounds", "pounds sterling", "£" or "pence"	the lawful currency of the United Kingdom;
"Prospectus Equivalent Document"	the document containing information which is regarded by the FSA as being equivalent to that of a prospectus for the purposes of PR 1.2.2(2) and PR 1.2.3(3) of the Prospectus Rules (as the case may be) relating to CopperCo and the New CopperCo Shares (which will, in the case of Minsec Shareholders resident in Australia and New Zealand, be attached to the Australian Prospectus) and accompanying this document;
"Prospectus Rules"	the prospectus rules made for the purposes of Part VI of the FSMA published by the FSA;
"Record Date"	26 June 2008;
"Registrar"	the entities set out on page 15 of the Prospectus Equivalent Document;
"Regulation D"	Regulation D under the Securities Act;
"Regulation S"	Regulation S under the Securities Act;
"Regulatory Information Service"	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange's website;
"Regulations" or "CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
"Related Bodies Corporate"	has the meaning given in the Corporations Act;
"relevant securities"	as defined by the City Code;
"Representatives"	in respect of a party, its Subsidiaries and Related Bodies Corporate, or a director, officer, employee, advisor, agent or representative of that party or its Subsidiaries or Related Bodies Corporate;
"Restricted Jurisdiction"	Canada, Japan and any jurisdiction where local law or regulations may result in a significant risk of civil, regulatory or criminal exposure or prosecution if information concerning the Offer is sent or made available to Minsec Shareholders in that jurisdiction;
"Restricted Securities"	has the meaning given in the ASX Listing Rules;
"Scarborough"	Scarborough Minerals plc (previously Greenwich Resources plc), a company registered in England and Wales under number 1862971;
"SEC"	the United States Securities and Exchange Commission;
"Securities Act"	the US Securities Act 1933 (as amended);
"Subsequent Acquisition Transaction"	has the meaning given in paragraph 17 of Part II of this document;

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"subsidiary", "subsidiary undertaking", "associated undertaking" or "undertaking"	save where otherwise stated, have the respective meanings given to them in the 1985 Act;
"Three-Way Merger"	the business combination which was effective at the close of business on 19 April 2006 whereby Greenwich Resources plc acquired Buka Minerals and Danae;
"Tianshan"	Tianshan Goldfields Limited, a company registered in Australia (ACN 099 544 680) whose shares are listed on ASX and AIM (ticker TGF);
"Transaction Period"	the period of time from the date of this document until the Closing Date;
"TSX"	Toronto Stock Exchange;
"TTE Instruction"	a transfer to escrow instruction (as defined in the CREST Manual);
"UBS"	UBS AG;
"UK Depositary Interests" or "UK DIs"	a depositary interest issued in the UK representing an underlying Minsec Share and settled in CREST;
"UK Depositary Interest Holder" or "UK DI Holder"	a holder of a UK Depositary Interest or UK DI;
"uncertificated" or "in uncertificated form"	a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"United Kingdom" or the "UK"	the United Kingdom of Great Britain and Northern Ireland and its dependent territories;
"United States of America" or "United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
"Unmarketable Parcel Holder"	a person recorded on Minsec's register of members as holding 442 Minsec Shares or less as at 5.00 p.m. (Australian EST) on 26 June 2008 and where such person continues to hold such number of Minsec Shares as at the date the Offer is declared unconditional in all respects will not hold a marketable parcel of Minsec Shares (i.e. a value of not less than A$500);
"US$"	the lawful currency of the United States; and
"US Person"	a US person as defined in Regulation S.

In this document:

(a) references to time are to London time; and

(b) in the Forms of Acceptance all references to statutes or other forms of legislation shall, unless otherwise stated, be to statutes or forms of legislation of the United Kingdom and/or Australia as the case may be and any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

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