

Cleansing Statement

7 September 2016

Company Announcements Office
Australian Securities Exchange
20 Bond Street
SYDNEY NSW 2000

ISSUE OF ZAMBEZI RESOURCES LIMITED SHARES – SECONDARY TRADING NOTICE NOTIFICATION PURSUANT TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001 (Act)

On 7 September 2016, Zambezi Resources Limited (**Company**) issued 69,000,886 fully paid ordinary shares (deemed issue price \$0.035) with 5,000,000 options for nil consideration (exercise price of \$0.03, expiring 30 June 2019) as approved at the Company's General Meeting on 17 August 2016 as consideration for the repayment of borrowings (**Securities**).

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 7 September 2016 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at 7 September 2016 there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and*

- ii. *that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:*
- A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B. the rights and liabilities attaching to the Securities.

Yours faithfully
Zambezi Resources Limited



Marinko Vidovich
Managing Director