

AFRICAN COPPER Plc
("African Copper" or the "Company")
Preliminary results for the period ended 31 December 2004

The Directors of African Copper have pleasure in announcing the Company's unaudited preliminary results for the period ended 31 December 2004.

Highlights

- Admission to AIM in November 2004
- Raised £15m through the IPO which was oversubscribed
- Granted exploration permit for the Thakadu deposit, Botswana

Post year end highlights

- Botswana Stock Exchange listing
- Appointment of Joseph Hamilton as Director and COO
- Appointment of Rodney Whyte as non-executive Director
- Commenced detailed engineering at Dukwe

Commenting on the results David Jones, CEO of the Company said: "2004 was a year of transformation for African Copper. The AIM listing provided us with exposure to a market that is renowned for its understanding of the resources sector. We remain confident in our ability to provide our shareholders with value and of demonstrating rapid progress during the coming year. We also look forward to copper production at the end of 2006."

- Ends -

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CHAIRMAN'S STATEMENT

The 2004 fiscal year saw the birth of our company and the subsequent listing of securities in the London Alternative Investment Market ("AIM"). Our IPO in mid-November was successful in raising sufficient capital to advance our key development projects throughout 2005 and into 2006.

African Copper was incorporated in early 2004, and immediately worked to acquire all of the outstanding shares of Mortbury Limited thereby assuming control over the Dukwe deposit and the Matsitama Exploration Concession, both in Botswana. In September the Company started the process of becoming a publicly listed entity, and was admitted for trading on AIM in mid-November. The IPO financing raised gross proceeds of £15 million and was oversubscribed. Before the end of 2004, the Company was granted another Exploration Permit that includes further known copper mineralization in the Thakadu deposit, Botswana.

In late 2004 and early 2005, the board recruited and secured key executives and work in Botswana commenced in early January. An office is functioning in Francistown, Botswana and substantially all administrative, exploration and engineering activities are conducted from this location.

In March, 2005 the Company entered into a number of key contracts that include open pit optimization studies, detailed engineering for the Dukwe deposit, delineation drilling of the underlying sulphide resources at Dukwe, and independent management of the exploration activities. The Board is confident that the management team that is in place is capable of completing the engineering phase of the deposit by the end of Q3 of 2005. Following this, project financing will be secured with the objective of commencing construction activities as soon as possible.

While the Board is confident that Dukwe will become the first producing mine for the Company, it is also excited about the prospects within the Matsitama and Thakadu exploration licenses. Exploration should commence on the highest priority targets in these areas later in 2005, after the Dukwe project has been placed on the path to production.

As African Copper continues to grow towards production the Board will continue to seek growth in shareholder value and to sensibly use the resources that shareholders have entrusted to us. The Company will be aggressive in pursuing both exploration and acquisition opportunities while remaining cognizant of market conditions and shareholder interests.

The Board will push management to achieve ever greater goals, will require the Company to develop projects in a sensible and environmentally sustainable manner, and will ensure the engagement of communities and stakeholders at all stages.

On behalf of the Board, I would like to thank the shareholders and employees of African Copper for their support and loyalty in 2004 and through 2005. I would also like to thank my fellow Directors for their active participation and contributions to the Company in its formative year. I expect that 2005 will be an exciting year for the Company, and for our shareholders.

CHIEF OPERATING OFFICER'S REVIEW

SUMMARY REVIEW

The Company has two principal assets, both located in Botswana: the Dukwe copper project, and the Matsitama exploration concession. No work was conducted on the Matsitama concession in 2004. An optimized feasibility study for the Dukwe copper deposit was completed in mid-2004, and work commenced on the engineering for the project in early 2005.

THE DUKWE DEPOSIT

The Dukwe deposit is mixed-oxide and supergene-enriched copper mineralization in the near-surface portions of the Dukwe Shear. An optimized feasibility study completed in 2004 indicates the viability of production in a series of open-pits with recovery from a heap-leach, solvent-extraction/electrowinning (SX/EW) plant to produce copper cathode. The deposit should produce about 25 million pounds of copper cathode annually by processing 2,500 tonnes per day of ore from the open pit.

The oxide mineralization has been identified from drilling programmes completed by major mining companies and more recently by African Copper subsidiaries, as well as from underground sampling across the full width of the deposit. Proven and Probable Reserves of 5.1 million tonnes of 1.85% Cu have been estimated for this near-surface mineralization using current industry practices and standards. Copper recovery of at least 83% with an average acid consumption of about 4 kg of sulphuric acid for each kg of copper recovered has been estimated from a series of metallurgical tests.

Detailed engineering for the 2,500 tonne per day heap leach operation commenced in April 2005 and is expected to be completed by the end of Q3 of 2005. African Copper subsidiaries have signed a number of key contracts with engineering groups who are actively engaged in completing various aspects of the project engineering for the Dukwe deposit.

A detailed capital cost estimate is expected by the end of Q2 2005, with about 30% of the engineering completed. By the end of August, the Company expects to have a detailed operating cost estimate for production activities at the mine. These two estimates should allow African Copper to begin to secure project financing. Detailed engineering and construction drawings are expected to be complete by the end of Q3 2005. Construction schedules, costs, production profiles and ultimate economics of the Dukwe deposit will be confirmed at this time.

African Copper is updating the Environmental Impact Assessment (EIA) for the Dukwe deposit, and expects to submit the report to the Botswana authorities by the end of Q2 2005. EIA studies completed in 2002 showed few obstacles to development, and the Company is confident that approval of the EIA will be secured by the end of Q3 2005.

Two drills were mobilized to the site in early April and a further two are expected to be on site by the end of May 2005. The first two drills are involved in a pit slope stability study aimed at optimizing the strip ratio for the open pit. The feasibility study completed in 2002 had no optimization completed, and it is likely that the pit slopes may be safely steepened to reduce the amount of waste in the pit, and have a positive impact on the operating costs of the mine.

Underlying the open-pit leachable reserve at Dukwe is a substantial resource of primary copper sulphide mineralization. Work by previous operators defined an indicated resource of about 13 million tonnes grading 3.85% copper. While this material cannot be placed on the heaps for leaching, it does present almost twice the grade of the open pit material, at better potential copper recoveries in a concentrator. A 20,000 metre drilling program has been designed to improve the confidence in these resource estimates. African Copper has retained a globally recognized independent consulting firm to oversee this drilling and sampling program, and the ultimate resource estimation. This work is expected to be completed in early Q4 of 2005.

The Dukwe deposit is on track to commence construction as early as Q4 of 2005. Production is expected from the heap leach operation before the end of 2006. Depending on the results of the sulphide drilling program at Dukwe, an underground ramp to the sulphide mineralization could commence early next year. The Dukwe sulphide mineralization is much larger than that encompassed by the open pit, and exploration and delineation drilling over 2005 should provide meaningful results that will enhance the reserve base, mine life and ultimately the value of this project.

THE MATSITAMA CONCESSION

The Matsitama Concession holds the future of African Copper. This exploration license is a large area of copper and lesser zinc-lead mineralization within lower Proterozoic schists in north-eastern Botswana. African Copper holds the belt in a contiguous group of prospecting licences totalling over 4,000 square kilometres. At the end of 2004 the Company was granted an exploration licence over the Thakadu-Makala Concession which is entirely within the Matsitama licence area.

The Matsitama exploration area has been explored by various operators in the past, but the sheer size of the area makes exploration a daunting task. The approach being taken by African Copper to the exploration task is different and potentially more constructive than past efforts.

Two deposits with defined tonnes and grade exist within the concession boundaries: Thakadu (about 4 million tonnes at 2.7% copper) and Nakalakwana Hill (about 11 million tonnes at 0.7% copper).

Thakadu was one of the largest mines in the Sub-Saharan region during the early part of the last millennium and yielded an estimated 712 tons of copper from an open pit operation. In the middle part of the last century, the Thakadu and Makala deposits were "rediscovered". Records in the Botswana archives indicate that exploration up to 2001 included almost 40,000 metres of drilling in 156 holes, two 70 metre shafts with underground tunnels that were used to collect 3 tonnes of material for metallurgical testing and 180 tonnes of primary mineralization for pilot plant testwork.

An examination of the surface dumps at the Thakadu mine shows mixed chalcocite-chalcopyrite material that is described as strataform or stratabound. This style of mineralization is characteristic of many of the large tonnage, high-grade deposits recognized in the copper belt deposits of Zambia – a geologically similar area that was deposited at the same time as the Matsitama Belt. Thakadu is an exciting deposit, and is the highest priority target after Dukwe.

At Nakalakwana Hill, the mineralization is entirely oxide copper. The deposit is defined by limited drilling and exists within a much larger surface geochemical anomaly. African Copper believes that there are substantial extensions to the mineralization at Nakalakwana Hill since the previous drilling failed to find the limits of the copper mineralization. This mineralization is near-surface and could be extracted by open-pit. African Copper expects to accelerate resource delineation at this prospect in 2005 and 2006, and to collect sufficient material to complete metallurgical testing. Nakalakwana Hill presents another drill-ready target that can quickly be moved into a feasibility stage project.

Beyond these two known deposits, the Matsitama exploration area contains 37 other copper occurrences and 2 zinc occurrences. The geochemical database contains over 210,000 samples and shows 147 high amplitude copper-in-soil geochemical anomalies with peak values up to 1,850 ppm Cu.

Five years ago, Anglo American completed an exhaustive airborne geophysical survey over the entire belt which included magnetics, radiometrics, electro-magnetics and light-hyperspectral work. Very little work seems to have been done to integrate the historical geochemical database with the cutting-edge geophysics. Any ground work concentrated almost solely on the geophysical conductors (graphite for the most part) rather than assessing the database in a holistic manner.

African Copper will systematically ground-truth the 30 highest priority targets over the next two years. The number of mineral showings and indications, and the existence of known deposits leads the Company to believe that the Matsitama Belt is a potential world class base metal belt. African Copper has a 100% undivided interest in the belt, with no overriding royalties to any other company. The Matsitama Belt provides African Copper with a unique position relative to its peers: almost unlimited exploration potential in conjunction with known mineralization and pending production. We believe that this combination makes African Copper a superlative investment, and places us well above any of our peer group.

FINANCIAL

The consolidated net loss after taxation of African Copper in respect of the period ended 31 December 2004 amounted to £320K (loss per share 1.5p). The Group's only source of income during the period arose from bank deposit interest, which amounted to £83K.

The net assets of the Group amounted to £24.3 million as at December 31, 2004 which includes intangible assets amounting to £10.9 million. Intangible assets relate to £2.2 million in accumulated deferred exploration and evaluation costs and £8.7 million in goodwill in respect of the acquisition of the entire issued ordinary share capital of Mortbury Limited and the acquisition of a preference share in Mortbury. The Company's accounting policy is to capitalize these intangible costs until either the Mortbury properties are brought into production, at which time they are depleted on a unit of production basis, or until the properties are sold, allowed to lapse or abandoned, at which time they are charged to the profit and loss account.

In May 2004 the Company completed the acquisition of 100% control of Mortbury in respect of which the Company issued 20,500,010 ordinary shares. An amount of £5,661,003 has been included in the merger reserve and represents the fair value premium of the shares issued by the Company in connection with the acquisition of Mortbury. At the same time the Company completed a private placing with institutional and other investors to raise approximately £1.9 million at 35p per share. In connection with this placing the Company issued warrants to subscribe for 2,836,182 ordinary shares of the Company at 50p per share exercisable up to 31 March 2005. A total of 2,017,967 warrants were exercised raising approximately £1 million.

On 12 November 2004 the Company announced its admission to the Alternative Investment Market of the London Stock Exchange following the successful placing of 19,736,843 ordinary shares at 76p raising gross proceeds of £15 million. Numis Securities Limited and Royal Bank of Canada acted as Joint Managers and Joint Underwriters of the placing and Numis is acting as Nominated Advisor and Broker to the Company.

On 26 November 2004 the Company completed an agreement to purchase a preference share in its subsidiary Mortbury which provided the holder a royalty interest over 11.5 percent of Mortbury's future net profits attributable to copper production in Botswana. Consideration of US\$6 million was satisfied by the issue of 3,927,943 ordinary shares and US\$500,000 in cash.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held in the Oxford Suite, Thistle Marble Arch Hotel, Bryanston Street, London W1A 4UR on Thursday, 23 June 2005 at 11.30am.

African Copper PLC is listed on the Alternative Investment Market (AIM) in London and its shares trade under the symbol ACU.

PRELIMINARY STATEMENT

This preliminary statement was approved by the Board of Directors on 25 May 2005 and has been agreed by the auditors. It does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The statutory accounts will be sent to shareholders shortly and will be filed following the Company's Annual General Meeting. The Auditors have reported on these accounts; their report is unqualified and does not contain statements under section 237(2) or (3) of the Companies Act 1985.

Consolidated profit and loss account

for the period from 11 February 2004 to 31 December 2004

	<i>Period ended 31 December 2004 £'000</i>
Administrative expenses	(411)
Unrealized exchange gain	8
	———
Operating loss	(403)
Bank interest receivable	83
	———
Loss before and after tax	(320)
	=====
Loss per share	1.5p
	=====

All amounts relate to continuing operations. There were no recognised gains or losses other than the loss for the period.

Balance sheets
as at 31 December 2004

	Group as at 31 December 2004 £'000	Company as at 31 December 2004 £'000
Fixed Assets		
Tangible assets	28	-
Intangible assets	10,918	16
Investments	-	888
	<hr/>	<hr/>
	10,946	904
	<hr/>	<hr/>
Current assets		
Debtors	160	1,532
Cash	13,410	13,397
	<hr/>	<hr/>
	13,570	14,929
Creditors: amounts falling due within one year	(261)	(122)
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Net current assets	13,309	14,807
	<hr/>	<hr/>
Net assets	24,255	15,711
	<hr/> <hr/>	<hr/> <hr/>
Share capital	500	500
Share premium	15,157	15,157
Merger reserve	8,606	-
Other reserve	312	312
Profit and loss account	(320)	(258)
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Equity shareholders' funds	24,255	15,711
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Consolidated cash flow statement

For the period from 11 February 2004 to 31 December 2004

	<i>Period ended 31 December 2004 £'000</i>
Cash outflow from operating activities	(547)
Return on investment and servicing of finance	83
Capital expenditure	(85)
Acquisitions	(296)
Financing – issue of equity shares in period	14,255
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Cash inflow during period and cash at 31 December 2004.	13,410
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Net funds at 31 December 2004 were £13,410,000.

1. Nature of operations and going concern

African Copper plc was incorporated as Afrinewco plc on 11 February 2004 and changed its name to African Copper plc on 1 March 2004.

The Group is involved in the acquisition, exploration and development of resource properties in Botswana and is currently in the feasibility evaluation of a major undeveloped copper deposit (The Dukwe Project) and a large scale grass roots exploration project (The Matsitama Project). The Dukwe Project is located in the north-eastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Dukwe Project.

In common with many exploration companies, the Company raises funds in discrete tranches. The net proceeds of the latest financing in November 2004 amounted to £13.4 million. The Directors consider that these funds will be sufficient to complete the bankable feasibility studies for the Dukwe oxide and sulphide zones and complete the phase one exploration programme for Matsitama. The funds are also forecast to provide sufficient working capital until the end of 2006. The Directors therefore consider it appropriate to prepare these financial statements on the going concern basis.

However, these proceeds will not be sufficient to bring the Dukwe and Matsitama projects into production and, in due course, further funding will be required for these projects. In the event that the Company is unable to secure further finance the Company may not be able to fully develop these projects.

2. Principal accounting policies

a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

b) *Basis of consolidation*

These financial statements consolidate the financial statements of the Company and its subsidiaries using the acquisition method of accounting. The results of subsidiaries are included from the effective date of acquisition.

The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair value on the date of acquisition. The excess of cost over the fair value of the Group's share of the identifiable net assets is recorded as goodwill.

In the Company's balance sheet, the investment in Mortbury Limited ("Mortbury") includes the nominal value of the shares issued as consideration

for the acquisition of that company. As permitted by sections 131 and 133 of the Companies Act 1985, no premium was recorded on the issue of such shares. On consolidation, the difference between the nominal value of the shares issued and their fair value was credited directly to the merger reserve.

c) *Resource properties, deferred exploration and development costs*

All costs related to the exploration of mineral properties are capitalised until either the properties are brought into production, at which time they are depleted on a unit of production basis, or until the properties are sold, allowed to lapse or abandoned, at which time they are charged to the profit and loss account.

d) *Goodwill*

Goodwill arising on consolidation is capitalised and shown within fixed assets. Amortisation of goodwill arising from the acquisition of Mortbury is to be deferred until production occurs, when it will be charged over the expected production period of the project. Where a project is abandoned or is determined to not be economically viable, the goodwill is written off.