

AFRICAN COPPER PLC
UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
Three Months (First Quarter) ended 31 March 2006
Expressed in Pounds Sterling

Responsibility for Financial Statements

The accompanying consolidated financial information for African Copper PLC has been prepared by management in accordance with UK generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the 31 December 2005 audited consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial information, management is satisfied that this financial information has been fairly presented.

AFRICAN COPPER PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the three month period ended 31 March 2006
(Unaudited)

	Three Months Ended 31 March 2006 £	Three Months Ended 31 March 2005 £
Administrative expenses	(246,306)	(288,577)
Operating loss	(246,306)	(288,577)
Bank interest receivable	92,466	127,493
Loss before and after tax	(153,840)	(161,084)
Basic and diluted loss per ordinary share (Note 2)	(0.30p)	(0.32p)

All amounts relate to continuing operations.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the three month period ended 31 March 2006
(Unaudited)

	Three Months Ended 31 March 2006 £	Three Months Ended 31 March 2005 £
Loss after tax for the financial period	(153,840)	(161,084)
Currency translation differences	(65,707)	(6,642)
Total recognised losses for the period	(219,547)	(167,726)

AFRICAN COPPER PLC

Balance Sheets
As at 31 March 2006

	<i>Notes</i>	As at 31 March 2006 (unaudited) £	As at 31 March 2005 (unaudited) £	As at 31 December 2005 (audited) £
Fixed Assets				
Intangible Assets				
Goodwill	3	8,684,180	8,684,180	8,684,180
Deferred exploration costs	3	8,730,757	2,497,932	7,158,314
Total Intangible Assets		17,414,937	11,182,112	15,842,494
Tangible assets	4	118,562	93,183	120,120
		17,533,499	11,275,295	15,962,614
Current Assets				
Debtors		220,935	857,909	227,618
Prepayments and accrued share placing transaction costs		625,000	-	-
Cash at bank and short term deposits		7,976,924	13,404,436	10,675,709
		8,822,859	14,262,345	10,903,327
Creditors				
Amounts falling due within one year		(1,534,465)	(216,496)	(1,912,530)
Net Current Assets		7,288,394	14,045,849	8,990,797
Net Assets		24,821,893	25,321,144	24,953,411
Share capital	5	521,332	520,052	520,332
Share premium	7	16,209,027	16,143,079	16,157,506
Merger reserve	7	8,606,461	8,606,461	8,606,461
Other reserve	7	1,284,133	871,417	1,248,625
Profit and loss account	7	(1,799,060)	(819,865)	(1,579,513)
Equity Shareholders' Funds		24,821,893	25,321,144	24,953,411

AFRICAN COPPER PLC
CONSOLIDATED CASH FLOW STATEMENT
For the three month period ended 31 March 2006

	Three Months Ended 31 March 2006 £	Three Months Ended 31 March 2005 £
Net cash outflow from operating activities	(1,302,331)	(999,165)
Return on investment and servicing of finance	92,466	127,493
Capital expenditure	(1,541,441)	(140,859)
Management of liquid resources	2,743,886	-
Financing – issue of equity shares during the period	52,521	1,006,484
	<hr/>	<hr/>
Cash inflow/(outflow) during the period	45,101	(6,047)
	<hr/>	<hr/>

Note 10 provides further information on cash flows.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Three Months Ended 31 March 2006 £	Three Months Ended 31 March 2005 £
Increase/(decrease) in cash in the period	45,101	(6,047)
Cash inflow from decrease in liquid resources	(2,743,886)	-
Change in net funds arising from cash flows	(2,698,785)	(6,047)
Opening net funds	10,675,709	13,410,483
Closing net funds	7,976,924	13,404,436
	<hr/>	<hr/>

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

1. Nature of Operations and Availability of Project Finance

African Copper Plc (“African Copper” or the “Company”) is the holding company of a mineral exploration and development group of companies (the “Group”). The Group is involved in the exploration and development of copper deposits in Botswana and is currently in the feasibility evaluation of an undeveloped copper deposit (the “Dukwe Project”) and a large-scale exploration project (the “Matsitama Project”). The Dukwe Project is located in the northeastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Dukwe Project.

To fund its past exploration activities, the Company has raised equity capital to achieve specific milestones set out in its business plan. In November 2004, the Company raised funds to complete the bankable feasibility studies for the oxide and sulphide zones of the Dukwe Project and complete a phase-one exploration programme for the Matsitama Project.

On 30 March 2006 a report prepared by A.C.A. Howe International Limited entitled “Technical Report on the Dukwe Copper Project and Matsitama Prospecting Licences Botswana Africa” (the “Technical Report”) was released (a copy of which is available at www.africancopper.com or SEDAR at www.sedar.com). The Technical Report reviewed work completed to date on the Company’s projects and provided recommendations to advance both the Dukwe and Matsitama Projects.

On 9 May 2006 the Company announced a conditional placing on a non-pre-emptive basis of 34,375,000 new Ordinary Shares and 40,625,000 Subscription Receipts to raise approximately £53.4 million net of expenses in order to fund the further development of the Dukwe and Matsitama Projects. Each Subscription Receipt will convert into one new Ordinary Share upon shareholder approval and admission of the new Ordinary Shares to trading on AIM. An Extraordinary General Meeting (“EGM”) is being convened for 5 June 2006 to approve the Placing.

If the Placing is approved by shareholders at the EGM, the Board plans to use the funds raised to execute on the recommendations contained in the Technical Report. The strategy contemplates cashflow generated from the proposed mining operations at the Dukwe deposit to continue funding the further exploration and development of the Matsitama Belt. Assuming that the planned exploration programme planned to commence in fiscal 2006 at the Thakadu-Makala deposits results in a positive pre-feasibility study, such deposits may be developed into the Company’s second mine, either as a separate operation or as a complementary project running either in parallel or in series with the mine at the Dukwe deposit. At the same time, the Company plans to aggressively explore existing and future high priority exploration targets throughout its projects.

If the aforementioned strategy is successful, the Board believes that future cash flow from operations coupled with available working capital, should be sufficient to permit the Company to finance its business internally and to obtain debt financing when, and if, necessary and appropriate.

The accompanying interim consolidated financial information is prepared by management in accordance with United Kingdom generally accepted accounting principles. Selected information and disclosures required in notes to annual consolidated financial statements has been condensed or omitted. This interim consolidated financial information should be read in conjunction with the Company's audited annual consolidated financial statements and notes for the year ended 31 December 2005. The interim financial information has been prepared following the same accounting policies and methods of computation as the annual consolidated financial statements for the year ended 31 December 2005.

2. Basic and Diluted Loss Per Share

The calculation of basic loss per ordinary share on the net basis is based on the loss on ordinary activities after taxation of £153,840 (2005: £161,084) and on 52,089,822 (2005:50,087,846) ordinary shares being the weighted average of ordinary shares in issue and ranking for dividend during the period. No diluted loss per share is presented as the effect of the exercise of share options would be to decrease the loss per share.

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

Details of share options in issue which could potentially dilute earnings per share in the future are shown in Note 6.

3. Intangible Assets

	<i>Goodwill</i>	<i>Deferred Exploration Costs</i>	<i>Total</i>
	£	£	£
Balance, 31 December 2005	8,684,180	7,158,314	15,842,494
Additions	-	1,606,740	1,606,740
Share option expense	-	31,410	31,410
Exchange	-	(65,707)	(65,707)
At 31 March 2006	8,684,180	8,730,757	17,414,937

4. Tangible Fixed Assets

	<i>Vehicles</i>	<i>Computer and Office Equipment</i>	<i>Furniture and Fittings</i>	<i>Total</i>
	£	£	£	£
Cost				
Balance, 31 December 2005	131,190	25,987	4,661	161,838
Additions	-	8,442	-	8,442
At 31 March 2006	131,190	34,429	4,661	170,280
Depreciation				
Balance, 31 December 2005	32,798	7,988	932	41,718
Charge for the period	7,450	2,200	350	10,000
At 31 March 2006	40,248	10,188	1,282	51,718
Net book value				
At 31 December 2005	98,392	17,999	3,729	120,120
At 31 March 2006	90,942	24,241	3,379	118,562

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

5. Share Capital

	<i>Number</i>	<i>Amount £'000</i>
Authorised		
Ordinary Shares of 1p each	495,000,000	4,950
Redeemable preference shares of £1 each	50,000	50
Issued		
Balance, 31 December 2005	52,033,155	520,332
Ordinary Shares issued on exercise of warrants	100,000	1,000
Balance 31 March 2006	52,133,155	521,332

During the three months ended 31 March 2006, a total of £52,521 was generated from the exercise of 100,000 warrants to purchase ordinary shares of 1p of the Company at 52.50p.

Share Options and Warrants

The Company has issued the following options at 31 March 2006:

<i>Share Options¹ Held at 31 March 2006</i>	<i>Share Options¹ Held at 31 December 2005</i>	<i>Date of Grant</i>	<i>Option Price per Share</i>	<i>Exercise Period</i>
1,250,000	1,250,000	29 March 1999 ²	Can\$0.25	up to 29 March 2007
450,000	450,000	5 April 2004 ²	£0.35	up to 31 March 2007
500,000	500,000	23 September 2004	£0.35	up to 23 September 2014
700,000	700,000	12 November 2004	£0.76	up to 12 November 2014
499,872	499,872	12 November 2004	£0.836 from admission ³ until two years following admission date. £0.912 from that date until three years following admission date.	up to 3 years following admission.
1,500,000	1,500,000	5 January 2005	£0.76	up to 5 January 2015
100,000	100,000	25 April 2005	£0.76	up to 25 April 2015
300,000	300,000	1 September 2005	£0.76	up to 1 February 2015
120,000	120,000	1 September 2005	£0.76	up to 14 March 2015
240,000	240,000	12 November 2005	£0.76	up to 12 November 2015
5,659,872	5,659,872			

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

The Company has issued the following warrants at 31 March 2006:

<i>Number of Warrants at 31 March 2006</i>	<i>Number of Warrants at 31 December 2005</i>	<i>Date of Grant</i>	<i>Subscription Price</i>	<i>Exercise Period</i>
2,374,030	2,474,030	26 May 2004	£0.525 from admission ³ until two years following admission date. £0.70 from that date until three years following admission date.	up to 3 years following admission.

Notes to options and warrants table:

1. Directors' of the Company hold some of the share options.
2. Under the Mortbury share scheme directors, employees and consultants of Mortbury were granted options to acquire ordinary shares in Mortbury. As a result of the acquisition of Mortbury, the Company agreed to satisfy these options by issuing options in the Company on the same basis as the outstanding Mortbury options. All Mortbury options that were exercisable at the date of the acquisition remain exercisable until 29 March 2007.
3. Admission to the Alternative Investment Market of the London Stock Exchange at November 12, 2004.

6. Share based Payments

African Copper has established a share option scheme with the purpose of motivating and retaining qualified management and to ensure common goals for management and the shareholders. Under the African Copper share plan each option gives the right to purchase one African Copper ordinary share. For options granted to employees the vesting period is generally between one and three years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Company.

As part of the acquisition of Mortbury Limited, the Company agreed to grant options in the Company on the same basis as the Mortbury options outstanding on the date of acquisition. No further options will be granted under the Mortbury share scheme. Under the Mortbury share option scheme, directors, employees and consultants of Mortbury were granted a total of 1,700,000 to acquire ordinary shares of Mortbury ranging in exercise prices from 11p to 35p resulting in a weighted average exercise price of 17p.

During the three month period ended 31 March 2006 no options were granted. During the period £35,508 in share based expense was recorded as other reserve. Of the £35,508 recorded as other reserve, £4,098 was recorded as share based expense and £31,410 was charged to deferred exploration costs.

The following table reflects the continuity of stock options for the three months ended 31 March 2006:

	<i>Number of Stock Options</i>	<i>Weighted Average Exercise Price</i>
Balance, 31 December 2005	5,659,872	55p
Options granted	-	-
Options exercised	-	-
Balance, 31 March 2006	5,659,872	55p

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

7. Reserves

	<i>Share Premium</i>	<i>Merger Reserve</i>	<i>Other Reserve</i>	<i>Profit and loss Account</i>	<i>Total</i>
	£	£	£	£	£
Balance, 31 December 2005	16,157,506	8,606,461	1,248,625	(1,579,513)	24,433,079
Premium on exercise of warrants	51,521	-	-	-	51,521
Loss arising in the period	-	-	-	(153,840)	(153,840)
Currency translation differences	-	-	-	(65,707)	(65,707)
Credit arising on share options	-	-	35,508	-	35,508
At 31 March 2006	16,209,027	8,606,461	1,284,133	(1,799,060)	24,300,561

8. Equity Shareholders' Funds

	Three months ended 31 March 2006	Three months ended 31 March 2005
	£	£
Loss for the period	(153,840)	(161,084)
Other losses in the period	(65,707)	(6,642)
	(219,547)	(167,726)
New share capital subscribed	1,000	20,130
Share premium arising on share issue net of expenses	51,521	986,354
Credit arising on share options	35,508	131,117
Net change to shareholders' funds in the period	(131,518)	969,875
Opening shareholders' funds	24,953,411	24,351,269
Closing shareholders' funds	24,821,893	25,321,144

9. Related Parties and Transactions With Directors

The following amounts were paid to companies in which directors of the group have an interest:

	Amount Paid		Balance outstanding	
	Three months ended 31 March 2006	Three months ended 31 March 2005	Three months ended 31 March 2006	Three months ended 31 March 2005
	£	£	£	£
Amount paid to the Dragon Group, a group controlled by A.J. Williams, for fully serviced office accommodation in the UK and reimbursed expenses	17,625	17,625	11,825	75
Amount paid to Summit Resource Management Limited, a company controlled by David Jones, for fully serviced office accommodation in Canada and reimbursed expenses	18,618	9,838	-	923

These related party transactions were in the normal course of operations and are recorded at their exchange amount

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

10. Notes to the Cash Flow Statement

Reconciliation of operating loss to net cash outflow from operating activities

	Three months ended 31 March 2006 £	Three months ended 31 March 2005 £
Operating loss	(246,306)	(288,577)
Increase in debtors	(618,317)	(698,410)
Increase in creditors	(441,806)	(44,957)
Share option expense	4,098	32,779
Net cash outflow from operating activities	<u>(1,302,331)</u>	<u>(999,165)</u>

Gross cash flows:

	Three months ended 31 March 2006 £	Three months ended 31 March 2005 £
Returns on investment and servicing of finance		
Interest received	92,466	127,493
	<u>92,466</u>	<u>127,493</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(8,442)	(64,752)
Payments to acquire intangible fixed assets	(1,532,999)	(76,107)
	<u>(1,541,441)</u>	<u>(140,859)</u>
Management of liquid resources		
Amounts withdrawn from term deposit	2,743,886	-
	<u>2,743,886</u>	<u>-</u>
Financing		
Issue of equity upon exercise of warrants	52,521	1,006,484
	<u>52,521</u>	<u>1,006,484</u>

Analysis of net funds

	At 31 December 2005 £	Cash flows £	At 31 March 2006 £
Cash at bank and in hand	296,990	45,101	342,091
Liquid resources	10,378,719	(2,743,886)	7,634,833
	<u>10,675,709</u>	<u>(2,698,785)</u>	<u>7,976,924</u>

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

11. Significant Differences from Canadian GAAP

The interim financial statements of the Company for the three months ended 31 March 2006 have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (“UK GAAP”) which, as applied in the financial statements, conforms in all material respects to those accounting principles generally accepted under Canadian Generally Accepted Accounting Principles (“CDN GAAP”), except as described below.

(a) Acquisition Accounting

Under UK GAAP the exchange of shares of African Copper for the shares of Mortbury Limited (“Mortbury”) is accounted for as an acquisition of Mortbury by African Copper. This share exchange resulted in the former shareholders of Mortbury owning a majority of African Copper. As a result, under CDN GAAP this transaction is treated as an acquisition of African Copper by Mortbury, referred to as a “reverse take-over”. As African Copper was not an operating business prior to this share exchange, the transaction will be accounted for as a capital transaction of Mortbury. This transaction is the equivalent of the issuance of shares by Mortbury for the net assets of African Copper, accompanied by a recapitalization of Mortbury.

For CDN GAAP purposes, Mortbury is considered the continuing business. Accordingly, the financial statements would reflect the results of operations of Mortbury for the year from 1 January 2004 to 31 December 2004 and include the results of operations of African Copper only from the date of the share exchange, 26 May 2004. The reverse take-over acquisition would be recorded at the book value of the net assets of African Copper acquired, being \$1. Accordingly, no goodwill would arise from this transaction. Also, all costs pertaining to the transaction would be considered costs of issuing the shares and recapitalizing Mortbury.

(b) Re-purchase of Mortbury Preference Share

As a result of the accounting treatment given the share exchange, as described previously, the subsequent purchase of the Mortbury Class C Preference share would also be treated as a capital transaction for CDN GAAP. Accordingly, the excess of the fair value of the consideration given for the Preference share over its book value would be reflected as a premium on re-purchase of the share, charged separately to the accumulated loss account. Under UK GAAP this difference became an additional component of goodwill.

(c) Warrants

Under UK GAAP the fair value of warrants issued is not required. Under CDN GAAP the Company is required to determine the fair value of warrants issued using an acceptable pricing model (in this case the Black-Scholes Option Pricing Model has been used) and to separate this value from the underlying equity instrument, or record a cost equal to the fair value of the warrants issued.

In 2004 the Company issued warrants in connection with its 26 May private placement (with each investor receiving ½ share purchase warrant and one ordinary share per unit invested) and issued warrants to former Mortbury creditors as part of the 26 May share exchange. The following details the value attributed to the warrants granted:

- i) On 9 June 2004, 2,841,182 warrants at a price of 50p per share were granted in connection with the 26 May 2004 private placement. The fair value of these warrants amounted to £92,744, estimated based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.5%; expected life of 1 year; and volatility of 60%. This value has been recorded as an increase in “Contributed Surplus” in the Equity Shareholders’ Funds section of the balance sheet and a reduction in share premium related to the proceeds received from the private placement. During the year, a total of 2,012,967 warrants were exercised and 828,215 warrants expired. The exercise of these warrants was recorded as a decrease in “Contributed Surplus” in the Equity Shareholders’ Funds section and an addition to the share premium related to the fair value that was previously recorded for the warrants.
- ii) On 12 November 2004, 2,502,045 warrants at a price of 52.5p per share for the first two years and 70p per share for the third year were granted in connection with the 26 May 2004 share exchange. The fair value of these

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

warrants amounted to £878,894, estimated based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.5%; expected life of 3 years; and volatility of 60%. This value has been recorded as an increase in “Contributed Surplus” in the Equity Shareholders’ Funds section of the balance sheet and a reduction in share premium related to the costs of the share exchange. During the period, a total of 100,000 warrants were exercised. The exercise of these warrants were recorded as a decrease in “Contributed Surplus” in the Equity Shareholders’ Funds section and an addition to the share premium related to the fair value that was previously recorded for the warrants.

(d) Goodwill

Under UK GAAP amortization of goodwill arising from an acquisition 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.

Under CDN GAAP, the accounting treatment given the Mortbury share exchange would have resulted in no goodwill being recorded. Accordingly, there is no adjustment required relating to goodwill or amortisation of goodwill under UK GAAP or CDN GAAP.

(e) Cash and Cash Equivalents

Under UK GAAP, cash at bank includes cash in hand and bank deposits repayable within 24 hours without penalty. All other bank deposits are included in short-term deposits. For purposes of the cash flow statement, management of liquid resources includes movements in short term deposits which do not fall within the definition of cash at bank.

Under CDN GAAP, cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Accordingly, there is no adjustment in the cashflow for management of liquid resources as the Company’s short term investments have maturities less than three months and movements in short term deposits fall into the definition of cash at bank.

(f) Cash Flow Statement

The format of the UK GAAP cash flow statement differs from that of the CDN GAAP cash flow statement. Under UK GAAP, interest paid and received is reported in a separate cash flow category called “Return on investment and servicing of finance.” In addition, under the UK GAAP cash flow statement there is a separate section for “Acquisitions”. Finally, under UK GAAP, movements in short-term investments are not included in cash but classified as “Management of Liquid Resources.” Under CDN GAAP, short-term investments with a maturity of three months or less at the date of acquisition are included in cash.

(g) Foreign Exchange Data and Foreign Currency Translation

All amounts included in this report are reported in Sterling. The following table reflects the low and high rates for one Pound Sterling, expressed in Canadian dollars in effect during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada average noon spot rate of exchange.

	Three months ended 31 March 2006	Three months ended 31 March 2005
Low for the period	1.9806	2.2607
High for the period	2.0661	2.3876
Rate at the end of period	2.0299	2.2848
Average rate for period	2.0241	2.3189

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

Under UK GAAP, Mortbury and its subsidiaries, Matsitama Minerals (Proprietary) Limited (“Matsitama”) and Messina Copper (Botswana) (Proprietary) Limited (“Messina”) are considered self-sustaining foreign subsidiaries. Accordingly, all assets and liabilities are translated into Sterling at the exchange rate prevailing at the balance sheet date and revenues and expenses at the exchange rate prevailing when the transaction occurred with the resulting differences reflected in Reserves. Under CDN GAAP, Mortbury is considered the parent company and African Copper, Matsitama and Messina are considered integrated foreign subsidiaries. Accordingly, monetary assets and liabilities are translated using the exchange rate prevailing at the balance sheet date, non-monetary assets and liabilities are translated at historical exchange rates and revenues and expenses are translated at the exchange rate prevailing when the transactions occurred, with the resulting differences reflected in the determination of net income for the period.

Effective 1 January 2004, Mortbury changed its reporting currency from U.S. dollars to Sterling. As required by CDN GAAP Emerging Issues Committee Release 130, all assets and liabilities of Mortbury would be translated from U.S. dollars to Sterling at the rate of exchange in effect at that date, with any resulting gain or loss being charged as a separate component of Shareholders’ Equity.

(h) Share Based Compensation

Under UK GAAP, the fair value of share options issued are included in the Equity Shareholders’ Funds as an Other Reserve. Under CDN GAAP, the fair value of share options issued are also included in the Shareholders’ Equity Funds but included under the Contributed Surplus category .

Under UK GAAP, the 450,000 Mortbury options issued at 35p granted by the Company as part of the Mortbury acquisition were dealt with as part of the acquisition accounting of Mortbury. Under CDN GAAP, these options represent a grant to employees and their fair value was calculated using the Black Scholes option pricing model and accounted for in the Share Premium account as a cost of issue.

(i) Summary of GAAP Differences

The following table summarizes the components of the significant differences between UK GAAP and CDN GAAP:

	31 March 2006	31 March 2005
	£	£
(i) Goodwill		
Goodwill costs following UK GAAP	8,684,180	8,684,180
Less: goodwill arising on Mortbury acquisition not recorded under CDN GAAP	(5,439,808)	(5,439,808)
Less: goodwill arising on purchase of Mortbury preference share not recorded under CDN GAAP	(3,244,372)	(3,244,372)
Goodwill following CDN GAAP	-	-
(ii) Deferred exploration costs		
Deferred exploration costs following UK GAAP	8,730,757	2,497,932
Add: increase in value due to foreign exchange rate at 31 December 2003 compared to 26 May 2004 under CDN GAAP	51,470	51,470
Add: elimination of UK GAAP foreign exchange effect on non-monetary asset	380,886	6,642
Deferred exploration costs following CDN GAAP	9,163,113	2,556,044

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

(i) Summary of GAAP Differences (continued)

	31 March 2006 £	31 March 2005 £
(iii) Share capital		
Share capital following UK GAAP	521,332	520,052
Less: share capital on Mortbury acquisition shares not recorded under CDN GAAP	(206,500)	(206,500)
Add: share capital on Mortbury acquisition shares recorded under CDN GAAP	166,500	166,500
Add: share capital issued in lieu of fee payable for assistance in the acquisition of Mortbury recorded under CDN GAAP	40,000	40,000
Share capital following CDN GAAP	521,332	520,052
(iv) Share premium		
Share premium following UK GAAP	16,209,027	16,143,079
Add: share premium on Mortbury acquisition recorded under CDN GAAP	1,702,537	1,702,537
Add: share premium on purchase of Mortbury preference share recorded under CDN GAAP	2,945,957	2,945,957
Less: related cash costs of issue under CDN GAAP	(71,000)	(71,000)
Less: related share costs of issue under CDN GAAP	(40,000)	(40,000)
Less: allocation of fair value of 1,700,000 Mortbury options and 499,872 underwriters options issued and recorded under CDN GAAP	(504,718)	(504,718)
Less: allocation of fair value of 2,836,182 warrants issued in private placement under CDN GAAP	(91,546)	(91,546)
Less: allocation of fair value of 2,502,045 warrants issued and recorded under CDN GAAP	(878,995)	(878,995)
Add: value of warrants exercised during 2005 under CDN GAAP	136,513	22,099
Share premium following CDN GAAP	19,407,775	19,227,413
(v) Merger reserve		
Merger reserve following UK GAAP	8,606,461	8,606,461
Less: premium on issue on Mortbury acquisition shares not recorded under CDN GAAP	(8,606,461)	(8,606,461)
Merger reserve following CDN GAAP	-	-
(vi) Other reserve		
Other reserve following UK GAAP	1,284,133	871,417
Less: reallocation of fair value of share options recorded as Contributed Surplus under CDN GAAP	(1,284,133)	(871,417)
Other reserve following CDN GAAP	-	-

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

(i) Summary of GAAP Differences (continued)

	31 March 2006	31 March 2005
	£	£
(vii) Contributed surplus		
Contributed surplus following UK GAAP	-	-
Add: reallocation of fair value of share options recorded as Other Reserve under UK GAAP	1,284,133	871,417
Add: fair value of 499,872 underwriters options issued and recorded under CDN GAAP	123,968	123,968
Add: fair value of 450,000 Mortbury options issued and recorded under CDN GAAP	68,750	68,750
Add: allocation of fair value of 2,502,045 warrants issued and recorded under CDN GAAP	878,995	878,995
Add: allocation of fair value of 2,836,182 warrants issued in private placement under CDN GAAP	91,546	91,546
Less: value of warrants exercised under CDN GAAP	(136,513)	(22,099)
Contributed surplus following CDN GAAP	2,310,879	2,012,577
(viii) Profit and loss account		
Profit and loss account following UK GAAP	(1,799,060)	(819,865)
Less: opening accumulated loss of Mortbury recorded under CDN GAAP	(897,326)	(897,326)
Add: elimination of UK GAAP foreign exchange effect on non-monetary asset	380,886	6,642
Less: premium on redemption of preference share recorded under CDN GAAP	(3,244,372)	(3,244,372)
Less: Loss of Mortbury for the period from 1 January 2004 to 26 May 2004 recorded under CDN GAAP	(138,090)	(138,090)
Add: Foreign currency gain for the period from 1 January 2004 to 26 May 2004 recorded under CDN GAAP	28,046	28,046
Profit and loss account following CDN GAAP	(5,669,916)	(5,064,965)

African Copper plc

Notes to the unaudited consolidated financial information for the three month period ended 31 March 2006

(j) CDN GAAP Condensed Financial Statements

Had the financial statements been reported under CDN GAAP, the condensed consolidated balance sheets and profit and loss accounts would be reported as follows:

Consolidated Balance Sheets	31 March 2006 £	31 March 2005 £
Intangible assets	9,163,113	2,556,044
Tangible assets	118,562	93,183
Current assets	8,822,860	14,262,346
Creditors	(1,534,465)	(216,496)
Net assets	16,570,070	16,695,077
Share capital	521,332	520,052
Share premium	19,407,775	19,227,413
Contributed surplus	2,310,879	2,012,577
Profit and loss account	(5,669,916)	(5,064,965)
	16,570,070	16,695,077

Profit and Loss Account	Three months Ended 31 March 2006 £	Three months Ended 31 March 2005 £
Net loss, as reported in accordance with UK GAAP	(153,840)	(161,084)
Adjustment to accord with CDN GAAP relating to acquisition accounting	-	-
Net loss, as reported in accordance with CDN GAAP	(153,840)	(161,084)
Opening accumulated losses from Mortbury Limited		
Opening losses brought forward	(5,516,076)	(4,903,881)
Adjustment to accord with CDN GAAP relating to premium on repurchase of Mortbury Limited preference share	-	-
Accumulated losses carried forward	(5,669,916)	(5,064,965)
Loss per ordinary share for the period	(0.30)p	(0.32)p

The differences arising between UK GAAP and CDN GAAP would have had no effect on the consolidated cash flow statement other than the differences in disclosure noted above.