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MANAGEMENT'S DISCUSSION AND ANALYSIS For the Period Ended 31 March 2007

The following management discussion and analysis ("MD&A") of the operating results and financial condition of African Copper Plc ("**African Copper**" or the "**Company**") and its subsidiaries is for the three months ended 31 March 2007 compared with 31 March 2006. The MD&A should be read in conjunction with the 31 December 2006 audited consolidated financial statements of the Company (the "**Financial Statements**") and the related notes thereto (the "**Notes**"). The Financial Statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts herein are expressed in British Pound Sterling unless otherwise indicated and the information is current to 14 May 2007.

Additional information relating to the Company, including the Company's Annual Information Form dated as of 31 March 2007, is available at www.africancopper.com or SEDAR at www.sedar.com. Mr. Joseph Hamilton, P.Geo., the Company's Chief Executive Officer and a "qualified person" as defined by Canadian National Instrument 43-101, has reviewed and approved the technical material contained herein.

Forward-Looking Statements

Except for historical information contained in this discussion and analysis relating to African Copper, certain disclosure statements and information contained herein constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning mineral resource estimates, future production, exploration and mine development plans, the future price of copper, cost estimates, timing of the development of the Company's projects in Botswana, including without limitation commencement of production at the Dukwe Mining Project, estimated mining costs, exploration results, requirements for additional capital, the impact of exchange rates and the timing and possible outcome of pending and future regulatory applications and other statements which are not historical facts. When used in this document, the words such as "anticipate," "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements include risks related to failure to convert estimated mineral resources to reserves, the grade and recovery of ore which is mined varying from estimates, future prices of copper, capital and operating costs varying significantly from estimates, political risks arising from operating in Africa, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, uninsured risks and other risks involved in the mineral exploration and development industry. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company makes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

Currency and Exchange Rates

All amounts in this MD&A are in British Pounds Sterling, except where otherwise specifically stated. All references to **US\$** or “**US Dollars**” are references to the United States Dollar.

The following table sets forth the rates of exchange for one British Pound Sterling expressed in US Dollars in effect on the dates indicated below based on the Federal Reserve Bank of New York noon buying rates of exchange on each of such dates.

	British Pounds Sterling Rate of Exchange (US Dollar)
31 December 2006	1.9586
31 March 2007	1.9627
14 May 2007	1.9803

Business Overview and Strategy

African Copper operates in the resource industry in southern Africa where the principal business of the Company is the exploration and development of primarily copper deposits in the Republic of Botswana. The Company currently has two principal project assets, the Dukwe mining project (the “**Dukwe Mining Project**”) and the Matsitama exploration project (the “**Matsitama Exploration Project**”), both located in the Matsitama Belt of Botswana.

The Company is incorporated in England and Wales with a primary listing on the London Stock Exchange’s alternative investment market (“**AIM**”); a secondary listing on the Toronto Stock Exchange (“**TSX**”) and an additional listing on the Botswana Stock Exchange (“**BSX**”). The ordinary shares of African Copper trade on AIM and the TSX under the symbol “**ACU**” and on the BSX under the symbol “African Copper”.

The Company’s goal is to grow as a base metal (copper) mining company and to provide above average returns to shareholders. The Company’s most advanced project is the Dukwe Mining Project, for which extensive drilling and sampling and subsequent engineering and metallurgical test work has been completed. African Copper also owns the rights to the prospecting leases for the Matsitama Exploration Project, which lies adjacent to and south east of the Dukwe Mining Project. The Matsitama Exploration Project offers 10 drill-ready and highly prospective targets, including the Thakadu-Makala Project.

In order to reach African Copper’s goal, a growth strategy has been implemented encompassing five key strategic growth objectives:

1. Production - to have copper production from the Dukwe Mining Project by the end of the first quarter of 2008 via open pit,
2. Production Expansion - to increase mineral resources available for processing through:
 - a. near-mine exploration
 - b. underground mining of the Dukwe ore body or a secondary open pit three years following initiation of mining at the initial Dukwe open pit
 - c. production optimization through consideration of utilization of Dense Media Separation (DMS) and Solution Extraction & Electrowinning (SX/EW)
3. Exploration – to continue aggressive exploration at the Matsitama Exploration Project with the goal of delineating future mineral resources,
4. Mergers & Acquisitions – to provide serious consideration to projects and operations where strategic fit is determined,
5. Management Team Growth – to continue to strengthen the core management team.

1. Production

The success of the Dukwe Mining Project is dependent on reaching key predetermined milestones over the course of the next 5 years involving both the initial open pit mine and the processing plant, both of which are currently in development.

African Copper anticipates production of the first copper concentrate from the Dukwe Mining Project in the first quarter of 2008, ramping up to full production throughout that year to feed the flotation concentrator which has been designed for a 3,000 tonne per day throughput producing approximately 44 million pounds of copper in concentrate annually. In order to reach full production, a number of events must occur, some of which were completed in the first quarter of 2007 and others which have yet to occur.

During the first quarter of 2007, the Company was granted an unconditional archeological permit which is required under Botswana regulations. Any areas of archeological interest that had been identified on the property to be covered by the mining lease, including areas of artifacts remaining from previous mining operations, are examined by third party consultants and reports are compiled for historical records. Once this process is complete, a permit is granted allowing the Company to work through these areas.

In December 2006, the Government of Botswana granted the Company a 25-year mining licence. This approval followed previous approvals by the government of the Environmental Impact Assessment (“**EIA**”), the Environmental Management Plan (“**EMP**”) and the granting of Water Abstraction Rights. The issuance of the mining licence allowed the Company to begin the mine construction program at the Dukwe Mining Project. During the first quarter of 2007, that mining licence was expanded to include a 5 km area of influence along the strike extent of mineralization around the mining area, an expansion from the 2 km area of influence originally granted. Under existing EIA and permits, any material found in this expanded area may be brought into the mine plan without the requirement for additional permitting.

An updated mineral resource estimate is being compiled on the Dukwe Mining Project to include the 9,000 metres of drilling that was completed subsequent to the cut-off date of the previous mineral resource estimate released in December 2006. Upon completion of this updated estimate, which the Company expects to release by the end of the second quarter of 2007, the information will be used to develop an open pit optimization plan. This in turn will allow the completion of a full production schedule and mining plan. The Company anticipates announcing this mining plan by late third quarter or early fourth quarter of 2007.

In terms of processing plant development, the primary, secondary and tertiary crushers were purchased in June 2006 and are currently undergoing retrofitting in Johannesburg, South Africa. An order for a ball mill was placed in June 2006. The Company expects that all three crushers and the ball mill will be installed by the end of the third quarter of 2007. The deep footing and foundations for each of these pieces of equipment were nearing completion at the end of the first quarter of 2007.

Botswana Power Corporation (BPC) has been contracted to supply power from the main grid to the mine site by the fourth quarter of 2007. Until that time, construction power will be provided by a generator, which will later be used as a standby power supply during production. The power line to the water bore field is currently in the process of being commissioned and this will initially be powered using the on-site diesel generator.

In early May 2007, the Company signed a 66-month mining contract with Moolman Mining Botswana (Pty) Ltd (“**Moolmans**”), an operating group of Aveng Limited. The contract provides for both the mobilization and demobilization of the mining fleet which, at full contingent, will consist of three face-loading shovels and twenty-six 100-tonne haul trucks. The Company expects this fleet to mobilize over a six to ten month period beginning in July 2007 and be operational the following month. The amount payable to Moolmans will be adjusted for changes in the cost of labour, equipment, materials and other inputs in accordance with a formula in the contract. It is anticipated that the mining cost will be in the range of US\$1.80 - \$2.50 per tonne of material moved (both ore and waste rock) over the course of this contract. In the event of the optional termination of the contract by the Company, a maximum early termination payment of £2.6 million (US\$5.2 million), which payment may be reduced, depending upon the number of months notice given, to £nil upon 6

months' notice, together with demobilisation charges, would be payable. At 14 May 2007 the total of these payments are not expected to exceed £3.4 million (US\$6.6 million).

Currently, Moolmans has a fleet of six scrapers in operation on site to facilitate the pre-stripping of the surface material. Through this pre-stripping process, the Company anticipates the stockpiling of 180,000 to 210,000 tonnes of material prior to the commissioning of the 1-million tonne-per-year concentrator, now under construction.

Site construction activities are expected to reach completion by late fourth quarter of 2007 with cold commissioning of the processing plant beginning early in the first quarter of 2008 and hot commissioning beginning in mid to late first quarter resulting in the production of first concentrate before the second quarter of 2008.

Another key driver for achieving production from the Dukwe Mining Project on time is the hiring of required personnel at all levels. To the end of the first quarter of 2007, all senior staff members have been recruited and are in place. Over the next four quarters, the Company and its contractors will continue to hire skilled labourers from the region surrounding the Dukwe Mining Project. With seven operating mines within a 200 km radius of the Dukwe Mining Project, the Company believes there is no shortage of skilled workers. Relationships with the local communities from which many of the labourers will be drawn remain cordial and the Company has implemented community programmes to increase awareness of the Dukwe Mining Project and employment opportunities that will arise for community members.

It is African Copper's intention to change the name of the Dukwe Mining Project before the end of the third quarter 2007. A study is currently underway to explore potential names for this open pit mine.

2. Production Expansion

The Company has a large land position in a favourable geological setting, which is relatively unexplored at depth and laterally. Sourcing additional mill-feed for production expansion may come from one or more of three options: near-mine exploration, underground mining or a secondary pit subsequent to initiation of the open pit or from production optimization methodologies.

Near-mine exploration

Extensive TITAN geophysical surveys have been completed along strike of the Bushman Shear zone which hosts the Dukwe mineralization. These surveys encompass an area of more than 30 km around the shear zone to the north and south of the proposed open pit, where sulphide mineralization at the Dukwe Mining Project is known to continue. During the first quarter of 2007 the Company completed compilation of the data from these geophysical surveys. This information will be integrated into the development plan for the entire deposit and the results of this survey will form the base for follow-up exploration and delineation drilling during 2007. A number of gold and copper targets have been generated to the south of the Dukwe deposit. Further geochemical surveys were completed in first quarter of 2007, and exploration drill programmes are expected to commence in the second quarter of 2007.

Mineral resource estimates were completed in the vicinity of the proposed open pit in December 2006. Subsequent to the cut-off date for compiling this updated estimate, additional drilling was completed. Once final assay and quality control results have been reviewed, the Company intends to provide a new mineral resource estimate for both the proposed open pit and potential underground mining before then end of the second quarter of 2007.

The Company also intends to drill-test a number of coincident geophysical and geochemical anomalies that occur in the area of the proposed open pit and anticipates that this will be completed by the end of the third quarter of 2007.

Underground mining/secondary pit

The Company is considering both an underground mining option or an additional pit along strike as methods of increasing mill feed for production expansion. Studies are currently underway for both of these options and the Company expects completion of these studies in the third quarter of fiscal 2007 including capital costs and operating estimates.

Production optimization

The Company is testing the applicability of using Dense Media Separation (“**DMS**”) technology for the processing of mixed ore materials as a method to maintain grade control thereby optimizing production. In addition, the use of Vat Leach Solution Extraction & Electrowinning technology to treat oxide concentrates on site is being examined. Results of test work to determine suitability and applicability of these technologies is expected in the third quarter of 2007. In addition, the Company is re-examining the pit slope angles through a comprehensive risk analysis in an attempt to reduce the strip ratio of the ultimate pit shell.

3. Exploration

Matsitama Exploration Project

The Matsitama Prospecting Licences cover an area of approximately 2,000 km² of highly prospective mineral holdings. Until March 31, 2007, the Company’s prospecting licences covered approximately 4,000 km², however administrative processes required that 50% of the licence area be relinquished and application for these licences be remade. These licences are contiguous with the Dukwe deposit discussed above. For the purposes of explanation of the Company’s business strategy, the Matsitama Exploration Project will exclude exploration activities in the vicinity of the Dukwe Mining Project and will focus on two key areas:

1. Thakadu-Makala-Dihudi-Mutsuku trend (“**Thakadu**”);
2. Nakalakwana

Both of these areas of focus have undergone extensive geophysical surveying. Exploration drilling in each area is ongoing and results will be released in batches of significance as they become available. The Matsitama Exploration Project has a wealth of systematic multidisciplinary exploration data that indicate substantial areas of highly prospective terrain especially for sediment-hosted copper and zinc deposits.

Additional information on the Matsitama Exploration Project is contained in a technical report dated 30 March 2006 and entitled “Technical Report on the Dukwe Copper Project and Matsitama Prospecting Licences, Botswana, Africa”, a copy of which can be obtained under the Company’s profile on SEDAR at www.sedar.com.

Thakadu

The Thakadu deposits are located approximately 70 km to the southeast of the Dukwe Mining Project and 5 km to 10 km from the Francistown-Orapa paved highway. In 2006, the Company established an exploration base camp and initiated a 10,000 metre delineation drill programme at the Thakadu deposits. The drilling was confined to depths that could be accessed by open-pit methods although the deposits are known to continue to depth. This drilling programme was completed in 2006, and final assays have been received. A mineral resource estimate is currently being prepared by independent consultants, and this is expected to be released by the end of Q2 2007. The geological mapping of drill core from Thakadu has led to new geological interpretations of the area. Several unexplored geochemical anomalies have now become higher priority exploration targets. The Company expects to issue a mineral resource estimate for the Thakadu area before the end of the second quarter of 2007 incorporating the drilling done in 2006.

The Thakadu deposits represent an advanced exploration project that has the potential to develop into a mining project in its own right or, alternatively, as a complementary project running either in parallel or in series with the Dukwe Project. A preliminary economic assessment of the capital costs required to bring the Thakadu deposits to production indicate that another deposit of similar size and grade is required in the

immediate area in order to justify the construction of a stand-alone plant. Exploration efforts will be focused on the unexplored geophysical and geochemical anomalies within 5 kilometres of the Thakadu deposits.

Drilling of new targets discovered by the geophysical surveys undertaken in 2006 continues with results expected in the third quarter of 2007.

Nakalakwana

This Copper/Gold exploration target is represented by an extensive area of alteration, some 5 km by 12 km, the centre of which is located approximately 140 km to the southeast of the Dukwe Mining Project. More than 1,700 metres of phase one drilling was completed by the end of April 2007 and results are expected for release by the end of the second quarter of 2007. As well, an extensive TITAN geophysical survey has been completed over the substantial potassium radiometric anomaly that occurs in this area. This survey has generated a number of high-priority anomalies and drilling of these anomalies will continue throughout 2007.

4. Mergers & Acquisitions

African Copper will continue to examine potential merger or acquisition opportunities in southern Africa where strategic fit with current projects is determined.

5. Strengthen Management Team

During 2006, the Company made a number of key management appointments which have had a beneficial impact on helping the Company reach key milestones to date. African Copper will continue to strengthen the core management team to support corporate growth and evolution as the organization transitions from exploration through development to production.

Chris Fredericks joined African Copper as Chief Operating Officer in the first quarter of 2007. Mr. Fredericks brings a solid operating background to the management of African Copper with over 27 years experience in base metal mining and exploration from varied exposure to large-scale open pit and underground mining operations on the Zambian Copperbelt and in Botswana. Mr. Fredericks was the General Manager of the LionOre Mining International's Tati Nickel mine in Botswana until late 2005 and for the past year has been involved in business development for LionOre in Southern Africa while remaining a director of the Tati Nickel Mining Company.

On 9 January 2007, in a planned succession, David Jones, CEO and a co-founder of the Company, was appointed Non-Executive Deputy Chairman and Joseph Hamilton, the Company's then current COO, was appointed CEO.

In April 2007, Naomi Nemeth was appointed to the newly-created position of Vice President, Investor Relations. Ms. Nemeth will be responsible for building and maintaining a comprehensive investor relations programme, for communicating with both institutional and retail investors globally and for supporting community relations efforts in Botswana. Prior to joining African Copper, Ms. Nemeth was Vice President of Investor Relations with Wolfden Resources and she also held the role of Vice President of Investor Relations for Desert Sun Mining until its acquisition by Yamana Gold in April 2006. With more than 20 years experience, Ms. Nemeth has served in senior investor relations positions in the mining, pharmaceutical and financial services sectors. Ms. Nemeth began her career as a field exploration geologist with Inco in northern Canada.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date, and reported costs and expenditures during the reporting period. Significant estimates and assumptions include those related to the recoverability of mineral properties,

estimated useful lives of capital assets, stock compensation valuation assumptions and determination as to whether costs are expensed or deferred. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly. A summary of the critical account estimates is listed below.

Resource Properties, Deferred Exploration and Development Costs

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Upon demonstration of the technical and commercial feasibility of a project, any past deferred exploration and evaluation costs related to that project will be reclassified as mine development and infrastructure.

Capitalised deferred exploration expenditures are reviewed for impairment losses at each balance sheet date. In the case of undeveloped properties, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property. The Company may periodically revise its valuation based on additional exploration results and determine that the carrying value of the property on the balance sheet is impaired. When such a change in estimate is made, there may be a material effect on the balance sheet and income statement.

Based on the fact that the Board approved development of the Dukwe Mining Project in September 2006 the deferred exploration costs incurred to date on Dukwe were reclassified as mine development and infrastructure costs. Dukwe mine development and infrastructure costs comprise the largest component of the Company's non-current assets and as such the evaluation of impairment of these assets has a significant effect on the Company's financial statements. The assessment of the carrying value involves the study of geological and economic data (including resource estimates) and the reliance on a number of assumptions. These estimates of resources may change based on additional knowledge gained subsequent to the assessment. This may include additional data available from the continued development activities of the Dukwe Mining Project, actual production data when available or the impact of economic factors such as changes in the price of copper or the cost of construction and development costs or the cost of components of production.

Asset Retirement Obligations

The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. At 31 March 2007, the Company has not incurred or committed any asset retirement obligations related to the development of its Dukwe Mining Project and Matsitama Exploration Project (collectively, the "**Projects**").

Share Based Payments

In 2005, the Company elected to comply with UK GAAP requirements, "Share Based Payments" with effect from the Company's date of incorporation 11 February 2004. This continues under IFRS. The Company is required to charge the profit and loss account with the fair value of the options issued. This calculated charge amount is not based on historical cost, but is derived based on assumptions input into an option pricing model. The model requires that management make several assumptions as to future events, including: an estimate of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. The resulting value calculated is not necessarily the value of which the holder of the option could receive in an arm's length transaction, given there is no market for the options and they are not transferable. The value derived from the option pricing model is highly subjective and dependent entirely upon the input assumptions made. The fair value of the option is either expensed or capitalized as a deferred exploration cost depending on the nature of the grant.

Overall Financial Performance

For the three months ended 31 March 2007, the Company recorded a net loss of £179,234 (0.14p), compared with £153,840 (0.30p) in the year earlier first quarter. The increased loss reflects higher costs across most categories of expenditures with the largest increases in salary and share based compensation costs. These increases were offset by increased interest income during the first quarter of fiscal 2007 of £703,675 compared with £92,466 in the comparable 2006 period. The increase in interest income during the first quarter can be attributed to an increase in average cash and short term deposit balances during the three months ended 31 March 2007 resulting from the June 2006 offering which raised gross proceeds of £58 million and the additional funds of £1.4 million received during 2006 from the exercise of warrants.

At 31 March 2007 the Company had working capital of £47.8 million compared to £52.0 million at 31 December 2006.

	Three months ended 31 March 2007 £	Three months ended 31 March 2006 £
Bank interest receivable	(703,675)	(92,466)
Corporate general and administration	33,815	49,355
Corporate consultants, salaries and benefits	241,732	69,379
Botswana general and administration	22,602	-
Botswana salaries and benefits	27,257	-
Insurance	35,842	9,450
Directors fees	16,950	14,775
Shareholder communication and public company administration	69,586	28,807
Travel and accommodation	44,306	47,764
Professional fees	76,261	22,678
Share based compensation	221,610	4,098
Depreciation	16,330	-
	806,291	246,306
Foreign exchange loss	76,618	-
Net loss	179,234	153,840

General and administration

Corporate consultant and management compensation costs increased to £241,732 for the three months ended 31 March 2007 from £69,379 in the comparable period in 2006. One of the primary reasons for the increase related to a severance amount of £127,200 paid during the first quarter of fiscal 2007 to D. Jones pursuant to a termination agreement between the Company and D. Jones as part of the planned succession as D. Jones moved from the CEO role to Deputy Chairman, making way for J. Hamilton to move from the COO role to CEO. The remaining increase related to the allocation of certain consulting fees between capitalization to projects and expense depending on the nature of the consultants' work. In the first quarter of fiscal 2007, a total of £12,815 of these compensation costs were capitalized and £241,732 (including the termination payment) expensed compared to £41,088 capitalized and £69,379 expensed in the first quarter of 2006.

As described under "Critical Accounting Estimates – Resource Properties, Deferred Exploration and Development Costs" in this MD&A costs related to the Dukwe Mining Project are now being capitalized to

mine development and infrastructure with general and administration costs being expensed. For the three months ended 31 March 2007, Botswana general administration costs of £22,602 and salaries and benefits of £27,257 were expensed.

Insurance expense for first quarter of 2007 increased to £35,842, compared to £9,450 in the comparable period in 2006. The higher insurance cost during the three months ended 31 March 2007 related to higher directors and officers insurance premiums and added insurance coverage for the Dukwe Mining Project.

Shareholder communication and public company administration costs increased to £69,586 in the first quarter of 2007 compared with £28,807 in the comparable period in 2006 as a result of costs related to the redesigning of the Company's website and executive search fees relating to the hiring of the new Vice President of Investor Relations.

Professional fees increased to £76,261 in first quarter of 2007 compared with £22,678 in 2006 as a result of increased legal and consulting fees in respect of the preparation of the Company's annual information form, corporate governance compliance review and implementation and IFRS transition and implementation services.

Share based compensation

Share based compensation expenses of £221,610 (2006: £4,098) are non-cash expenses and reflect the derived value of stock options vested during the period. An additional amount of £106,736 (2006: £31,410) share based compensation costs were recorded to property, plant and equipment and deferred exploration costs as the options related to personnel whose compensation costs are capitalized. The higher expense in the first quarter 2007 reflects the vesting of options granted in August 2006. The fair value of stock options granted are amortized to the Consolidated Income Statement over the period in which the options vest.

During the first quarter 2007, the Company recorded a foreign exchange loss of £76,618. This loss relates primarily to the foreign currency translation losses on currency holdings of Canadian Dollars and Rand. Approximately £52K of this loss resulted from exchange rate movements between the Canadian dollar and Sterling and approximately £25K resulted from exchange rate movements between the Rand and Sterling. At 31 March 2007 the Company maintained approximately \$CAD 2.8 million and ZAR 153.1 million.

Investment in Deferred Exploration and Mining Development

The Company invested approximately £78,490 (2006:£1,491,273) and £280,908 (2006:£81,180) respectively on exploration and evaluation of the Dukwe Mining Project and Matsitama Exploration Projects and £3.3 million (2006: £nil) on mining development and property, plant and equipment at the Dukwe Mining Project.

Dukwe Mining Project – deferred exploration expenditures

	As at 31 March 2007 £'000
Opening balance	28
Geological and geophysical	30
Administration	29
Salaries	20
Foreign exchange	(1)
Ending balance	106

The Company spent £78,490 during the three months ended 31 March 2007 on exploration activities in the Dukwe prospecting licence area. TITAN geophysical fieldwork was completed in March 2007 over a number of high priority anomalies with the exploration team focusing on compilations of TITAN data. These compilations are expected to be complete in the second quarter of 2007 with a number of high-priority anomalies generated that will be drill tested in 2007.

Dukwe Mining Project - mining development and infrastructure and mine plant and equipment

	As at 31 March 2007 £'000
Beginning Balance	13,963
General yard and site work	2,720
Process plant	463
Owners cost	55
Geology	224
Share based expenses	90
Fixed assets	170
Depreciation	(19)
Foreign exchange	(387)
Ending balance	17,279

The engineering, procurement, construction and management (“EPCM”) contract with Read, Swatman & Voigt (Pty) Limited and SENET CC for the construction of the Dukwe Mining Project was signed during the fourth quarter of fiscal 2006. Surface earthworks were nearing completion during the end of the first quarter of 2007 and the associated civil works and the deep footings and foundations for the processing plant and crushers were nearing completion. The primary, secondary and tertiary crushers are currently undergoing retrofitting in Johannesburg, South Africa. An order for the ball mill was placed in June 2006. The Company expects that all three crushers and the ball mill will be installed by the end of the third quarter of fiscal 2007. The magnitude of expenditures is expected to increase significantly during the second quarter of fiscal 2007 as the construction of the process plant and associated infrastructure progresses and a fleet of six scrapers are mobilized on site to facilitate the pre-stripping of the surface material.

The expenditures to date on the EPCM contract and the anticipated timing and costs are in line with the project plan.

Matsitama Exploration Project – deferred exploration expenditures

	As at 31 March 2007 £'000
Beginning Balance	1,979
Drilling	65
Assay	24
Geological	20
Geophysical	93
Site management and logging	45
Depreciation capitalized	3
Administration	109
Share based expenses	23
Foreign exchange	(103)
Ending balance	2,261

During the first quarter of fiscal 2007 the Company completed an extensive TITAN geophysical survey over a number of high priority areas at the Matsitama Exploration Project. Results to date from the TITAN survey have generated a number of high-priority anomalies that will be drill tested in 2007.

One particular area of interest is the Nakalakwana area which has a substantial potassium radiometric anomaly. Compilation work completed in 2006 regarding this Nakalakwana area has shown a relationship between copper and gold in historic drilling work. A preliminary 1,700 metre drill programme was completed in the first quarter of 2007 to test geological interpretations of the area.

Summary of Quarterly Results

The Company was incorporated on 11 February 2004. The Company's reporting currency is Sterling. The Company's subsidiary measurement currencies include: Mortbury (Sterling), Messina Copper (Botswana) (Proprietary) Limited (Pula) and Matsitama Minerals (Proprietary) Limited (Pula). The following table sets out selected financial data on the Company for the most recently completed eight quarters, which data have been prepared in accordance with applicable IFRS:

	Q1 31 March 2007 (£)	Q4 31 Dec. 2006 (£)	Q3 30 Sept. 2006 (£)	Q2 30 June 2006 (£)
Interest revenues	(703,675)	(653,176)	(660,398)	(239,461)
Net loss /(gain)after tax	179,234	1,521,716	679,851	(254,523)
Basic loss per ordinary share	0.14p	1.17p	0.53p	(0.36p)
Diluted loss per ordinary share	0.14p	1.17p	0.53p	(0.36p)

	Q1 31 March 2006 (£)	Q4 31 Dec. 2005 (£)	Q3 30 Sept. 2005 (£)	Q2 30 June 2005 (£)
Interest revenues	(92,466)	(111,072)	(154,409)	(136,649)
Net loss /(gain)after tax	153,840	(32,638)	214,329	229,874
Basic loss per ordinary share	0.30p	0.06p	0.41p	0.44p
Diluted loss per ordinary share	0.30p	0.06p	0.41p	0.44p

Please review the discussion under the heading "Overall Financial Performance" in this MD&A for an explanation of the financial results and exchange rate gains/losses and related period-to-period changes for the three months ended 31 March 2007 and 31 March 2006.

The higher net loss recorded in the fourth quarter of fiscal 2006 and the net gain in the second quarter of fiscal 2006 relates primarily to foreign exchange losses of £1.8 million during the fourth quarter of 2006 and foreign exchange gains of £282,160 during the second quarter of fiscal 2006 in respect of fluctuations in the value of Sterling relative to the Company's Canadian dollar and Rand currency holdings. In the fourth quarter ended 31 December 2005 a total of £148,661 consultant costs and £41,354 travel costs were reclassified to deferred exploration based on the nature of the activities performed.

Fluctuations in the Company's expenditures reflect increases in administrative costs and professional fees associated with seasonal corporate filing and regulatory activities. Specifically, the increased costs related to

the preparation of year-end audit files and annual meeting materials, as well as the impact of year-end audit adjustments to financial statements.

At 31 December 2005 the Company elected to adopt the UK GAAP “Share Based Payments” reporting standard, with effect from 11 February 2004 (date of incorporation), which represented early adoption of this standard and a change in accounting policy. The effect of this change in accounting policy increased the loss after tax for the three months ended 30 June 2005 by £39,335, increased the net assets of the Company by £118,006, increased the loss after tax for the three months ended 30 September 2005 by £36,382, increased the net assets of the Company by £83,802, decreased the loss after tax for the three months ended 31 December 2005 by £105,304 and decreased the net assets of the Company by £300,146.

Liquidity and Capital Resources

The Company’s only sources of liquidity until the Dukwe Mining Project reaches commercial production are its current cash balances, possible exercise of share options, project finance alternatives and the equity markets. As at 31 March 2007, the Company had cash (net of liabilities) of approximately £47.82 million. The Company is continuing the development of the Dukwe Mining Project, including finalizing the mine plan through incorporating the results of the recent infill drilling programme into the open pit optimization plan and accelerating development work including entering into the mining contract with Moolmans. At such time as the mining plan is completed, the capital cost of the Dukwe Mining Project will be finalized and additional capital requirements will be determined. The capital cost estimate for the construction of the flotation concentrator and related facilities at the Dukwe Mining Project is approximately £31.3 million (US\$62.1million) of which £4.5 million (US\$8.8 million) had been spent at 31 March 2007. This capital cost estimate is based upon the spot exchange rate posted by the Bank of England on 14 May 2007 of 13.72 South African Rand for one British Pound Sterling. Pending completion of the mine plan and determination of the Company’s additional capital requirements, the Company has sufficient working capital. In anticipation of the Company’s future working capital requirements, the Company has engaged Standard Bank Plc to arrange a proposed US\$25 million (working capital) revolving credit facility and related hedging facility (the “Working Capital Facility”). The Company expects the Working Capital Facility will have a term of three years, with an option to extend the term for an additional year and bears interest at the US\$ London Interbank Offered Rate plus 2%. The Company further expects that the Working Capital Facility will contain terms and conditions customary for working capital revolving facilities of this nature.

The Company had working capital of £47.82 million at 31 March 2007 compared to £52.0 million at 31 December 2006. During the first quarter ended 31 March 2007, a total of £163,961 was generated from the exercise of 350,000 share options to purchase ordinary shares at C\$0.25 each and 350,000 share options at 35p each. These share options were originally granted under the stock option plan of Mortbury Limited.

At 14 May 2007 outstanding share options and underwriter’s options represented a total of 12,189,872 ordinary shares issuable for maximum aggregate proceeds of £9,468,683 if and when exercised.

Contractual Obligations

The majority of the Company's contractual obligations relate to commitments in respect of development expenditures at the Dukwe Mining Project. At 31 March 2007, commitments under such agreements totaled £15.7 million as follows:

	Total	2007	2008	2009	2010
	£	£	£	£	£
Contractual Obligations					
Goods, services and long lead equipment ^(a)	10,301,581	10,301,581	-	-	-
Mining contract ^(b)	3,348,719	3,348,719			
Exploration and mining licences ^(c)	1,076,656	293,939	375,373	325,824	81,521
Lease agreements ^(d)	230,990	108,534	108,912	13,544	-
Total Contractual Obligations	14,957,946	14,052,773	484,285	339,368	81,521

- (a) The Company and its subsidiaries have a number of agreements with arms-length third parties who provide a wide range of goods and services and long-lead time equipment. The primary commitments relate to the EPCM contract for the construction of the flotation concentrator and related facilities at the Dukwe Mining Project. Contractual obligations related to the EPCM are expected to continue to rise over the next four months as construction at the Dukwe Mining Project accelerates. The capital cost estimate for the construction of the flotation concentrator and related facilities at the Dukwe Mining Project is approximately £31.3 million (US\$62.1million) of which £4.5 million (US\$8.8 million) had been spent at 31 March 2007.
- (b) In the event of the optional termination of the Moolmans mining contract by the Company, a maximum early termination payment of £2.6 million (US\$5.2 million), which payment may be reduced, depending upon the number of months notice given, to £nil upon 6 months' notice, together with demobilisation charges, would be payable. At 14 May 2007 the total of these payments are not expected to exceed £3.4 million (US\$6.6 million).
- (c) The Company's wholly-owned subsidiaries, Messina Copper (Botswana) (Proprietary) Limited and Matsitama Minerals (Proprietary) Limited, are obliged to incur certain minimum expenditures in respect of their prospecting licences and the Dukwe mining licence.
- (d) The Company has entered into agreements for lease premises and housing for Botswana management for various periods until 30 August 2009.

Proposed Transactions

There are no proposed assets or business acquisitions or dispositions before the Board for consideration.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Transactions with Related Parties

The Company was charged £11,750 (2006:£17,625) for the three months ended 31 March 2007 by the Dragon Group, a group controlled by A. J. Williams, a director of the Company, for the provision of fully serviced office accommodation in the UK and reimbursed expenses. Accounts payable at 31 March 2007 were £nil (2006:£11,825). This agreement expired on 28 February 2007.

The Company was charged £20,867 (2006:£18,618) for the three months ended 31 March 2007 by the Summit Resource Management Limited, a company controlled by D. Jones, a director and the former Chief

Executive Officer of the Company, for the provision of fully serviced office accommodation in Canada, bookkeeping and reimbursed expenses. Accounts payable at 31 March 2007 were £2,620 (2006:£nil). The services are provided under a one year contract that expires on 1 September 2007.

The Company entered into an agreement with Pickax International Corp. (“Pickax”) and Joseph Hamilton on 1 July 2006 pursuant to which Pickax agreed to cause Joseph Hamilton to provide services to the Company, in the capacity of Chief Operating Officer. The agreement replaced an existing executive services agreement on materially the same terms and conditions. During the term of the agreement Pickax will be paid £164,800 per year. The Company was charged £41,200 (2006:£nil) during the three months ended 31 March 2007 by Pickax. Pickax is a corporation controlled by Joseph Hamilton the Chief Executive Officer and a director of the Company. The agreement will be amended to reflect Mr. Hamilton’s appointment as Chief Executive Officer of the Company.

These related party transactions were in the normal course of operations and were measured at the exchange amounts.

Risk Factors

The exploration for and exploitation of natural resources are speculative activities that involve a high degree of risk. The following risk factors should be considered in assessing the Company’s activities. Should any one or more of these risks occur, it could have a material adverse effect on the business, prospects, assets, financial position or operating results of the Company. The risks noted below do not necessarily comprise all those faced by the Company. Additional risks not currently known to the Company or that the Company currently deems would not likely influence an investor’s decision to purchase securities of the Company may also impact the Company’s business, prospects, assets, financial position or operating results.

The Company currently depends significantly on a single project, the Dukwe Mining Project

The Company’s activities are focused primarily on the Dukwe Mining Project. Any adverse changes or developments affecting this project would have a material and adverse effect on the Company’s business, financial condition, results of operations and prospects.

Copper price volatility may affect the production, profitability, cash flow and financial position of the Company

The Company’s revenues, if any, are expected to be derived from the extraction and sale of copper concentrate. The price of copper has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company’s control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. In recent years the price of copper has been affected by changes in the worldwide balance of copper supply and demand, largely resulting from economic growth and political conditions in China and other major developing economies. While this demand has resulted in higher prices for copper in recent years, if Chinese economic growth slows, it could result in lower prices for copper. The effect of these factors on the price of copper, and therefore the current or future economic viability of any of the Projects, cannot accurately be predicted. Any material decrease in the prevailing price of copper for any significant period of time would have an adverse and material impact on the economic evaluations contained in this MD&A and on the Company’s results of operations and financial conditions, as well as the economic viability of the Projects.

The development of the Projects into commercial operation and their economic viability cannot be guaranteed

In general, development projects have no operating history upon which to base estimates of future cash operating costs. For development projects such as the Dukwe Mining Project, estimates of mineral resources and mineral reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. This information is used to calculate estimates of the capital costs and cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the orebody, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. In addition, the results of the Dukwe Mining Project pit optimizations could adversely impact estimates of capital and operating costs of the project and such differences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The capital costs to achieve production from the Dukwe Mining Project can be affected by cost escalation and currency fluctuations. The Company has attempted to place firm orders for much of the equipment necessary to achieve production and thereby confirm prices and control cost escalations. Operating costs are dependent on the costs of various reagents, supplies, spares and labour. While open pit mining costs can sometimes be better estimated than underground mining costs, they are also very dependent on fuel, tyre and maintenance costs, foreign currency exchange rates and availability of skilled labour.

There can be no assurance that the Company will be able to complete the development of the Dukwe Mining Project at all or on time or on budget due to, among other things, changes in the economics, mining plan and/or size of the Dukwe Mining Project, including a decision not to proceed with the proposed underground mining programme, the scope of the pre-stripping and the size of the open pit, delays in receiving required consents, permits and registrations, inability or delay in entering into copper offtake agreements on favourable terms, delays in the delivery and installation of plant and mining equipment and cost overruns.

There can be no assurance that the current personnel, systems, procedures and controls will be adequate to support the Company's operations. Should any of these events occur, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The capital and operating cost estimates for the Dukwe Mining Project are estimates only and may not reflect the actual capital and operating costs incurred by the Company

Capital cost estimates for the construction of the flotation concentrator and related facilities at the Dukwe Mining Project have been estimated at approximately 31.3 million (US\$62.1million) (based upon the spot exchange rate posted by the Bank of England on 14 May 2007 of 13.72 South African Rand for one British Pound Sterling). Until such time as a mine plan is completed definitive estimates respecting capital and operating costs cannot be made. There can be no assurance that the actual mining costs incurred by the Company will not be greater than estimated under "Business Overview and Strategy – 1. Production". Previous capital and operating cost estimates include supplies and inputs, the cost of which the Company has little control over. These include, but are not limited to, transportation and handling charges, the cost of fuel, the cost of electricity, labour costs, reagent costs, smelter charges, the price of construction materials including steel, and the cost of mining equipment and spares. A material increase in one or more of these supplies and inputs may materially increase the actual capital and/or operating costs incurred by the Company. Any material increase may cause the Dukwe Mining Project to become economically unviable or delay the development of the project, either of which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is currently in negotiations with a metals broker for an offtake agreement for copper-in-concentrate. The costs payable by the Company under this agreement could be significant and will have a direct impact on the economic evaluation of the Dukwe Mining Project. As a result, it is possible that the actual capital costs, operating costs and economic returns of the proposed mine at the Dukwe deposit may

differ from those previously estimated and such differences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to the Company

The development of the Dukwe Mining Project and the construction of mining facilities and commencement of mining operations may require additional financing (including a working capital facility). Failure to obtain such financing, and/or sufficient financing for the exploration and development of the Matsitama Exploration Project, or any future projects, may result in a delay or indefinite postponement of exploration, development or production on the Company's properties or even a loss of a property interest. The Company's only sources of additional funds currently available until the Dukwe Mining Project reaches commercial production are its current cash balances, possible exercise of share options, project finance alternatives and the equity markets. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

The Company may not obtain the Working Capital Facility, or may not obtain the Working Capital Facility on the terms described in this MD&A

There is no assurance that the Company will obtain the Working Capital Facility or, that if the Working Capital Facility is obtained, that the terms and conditions thereof will be same as those described in "*Liquidity and Capital Resources*" section of this MD&A. In addition, if the Working Capital Facility is established by the Company, or any similar debt or project financing is entered into by the Company, the Company expects that lenders will require that the Company commit to: restrictive covenants regarding its business and financial operations; hedge some or all of the production from the Dukwe deposit; meet certain financial tests during the term of the Working Capital Facility; provide security over all or substantially all of the assets of the Company, including its rights to the Dukwe Mining Project and the proceeds of sales of copper and/or copper concentrate mined from the Dukwe deposit; and restrict cash distributions by the Company until such time as the principal amount of the Working Capital Facility and related facilities, if any, is repaid in full; each of which will have a restrictive impact on the ability of the Company to manage its business, operations and cash flows, and will materially limit the Company's ability to pay dividends to holders of ordinary shares. The failure of the Company to comply with any such restrictions may result in a lender enforcing its security over the assets of the Company, which would have a material adverse impact on the Company. Such restrictions, including any hedging programme, may also limit the Company's ability to benefit from increases in the price of copper, which would have a material impact on the Company's cash flows and results of operations.

Future production will be subject to the normal risks of mining operations

The Company's future mining operations are subject to all of the hazards and risks normally incidental to exploration, development and the production of copper.

The Company's future mining activities may be subject to prolonged disruptions due to weather conditions, hazards such as unusual or unexpected geologic formations, flooding or other conditions that may be encountered in the drilling and removal of material. There may be a higher than normal risk of sourcing and hiring suitably trained plant management, operating and maintenance staff and these people may not be readily available in Botswana or not otherwise easily employed from within the Southern Africa region. This situation could also be impacted by delays in obtaining necessary work and other labour permits to allow expatriate expertise to be utilized to the extent necessary.

The Company's copper concentrate will require smelting, and such smelting capacity may not be available or may adversely affect project economics

A portion of any production from the Dukwe Mining Project is expected to be in the form of copper concentrate which would be treated at third-party smelters. The availability of smelter capacity is not guaranteed and costs of such treatment may adversely affect the economic viability of such production.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions

The Company conducts its operations through foreign subsidiaries, and substantially all of its assets are held in such entities. Accordingly any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist in the future, could have a material and adverse impact on the Company's business, financial condition, and operations.

In addition, operating in foreign jurisdictions exposes the Company to the effects of political, economic or other risks, including changes in foreign laws (whether arbitrary or not), expropriation or nationalization of property, risks of loss due to civil strife, acts of war, insurrection or terrorism (including the effects of such acts which occur in neighboring states), cancellation or renegotiation of contracts or the inability to enforce legal rights in the foreign jurisdiction.

Government regulations may have an adverse effect on the Company

The Company, its subsidiaries, its business and its operations are subject to various laws and regulations. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Company's business, financial condition, results of operations, and prospects and, in particular, the development of the Dukwe Mining Project.

The Company's operations and its ability to hold various mineral rights require licences, permits and authorizations and, in some cases, renewals of existing licences, permits and authorizations from various governmental and quasi-governmental authorities. The Company believes that it currently holds or has applied for all necessary licences, permits and authorizations to carry on the activities that it is currently conducting and to hold the mineral rights it currently holds under applicable laws and regulations in effect at the present time, and also believes that it is complying in all material respects with the terms of such licences, permits and authorizations. However, the Company's ability to obtain, sustain or renew such licences, permits and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasigovernmental bodies and there can be no assurance that the Company will be able to obtain, sustain or renew any such licences, permits or authorizations (including the renewal of the Matsitama Licences) on acceptable terms or at all.

Currency fluctuations may adversely affect the costs that the Company incurs in its operations

Copper is sold throughout the world, principally in US Dollars. The Company's costs are incurred primarily in British Pounds Sterling, South African Rand, Botswana Pula and Canadian Dollars. Changes in the currency exchange rates of the US Dollar against the British Pound Sterling, the South African Rand, the Botswana Pula or the Canadian Dollar may affect the actual capital and operating costs of the Projects and will affect the results presented in the Company's financial statements and cause its financial position to fluctuate. As well, such fluctuations may affect the cash flow that the Company hopes to realise from its operations. Accordingly, the Company will be exposed to exchange rate fluctuations which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Further, there is no guarantee that the Government of Botswana will not impose restrictions on the convertibility of and obligations to remit and convert to local currency in future. Such fluctuations in foreign currency or restrictions on the convertibility of and obligations to remit and convert to the currency of Botswana could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The prevalence of HIV/AIDS in Botswana may adversely impact the Company's proposed mining operations

The per capita incidence of the HIV/AIDS virus in Botswana has been estimated as being one of the highest in the world, according to public sources. As such, HIV/AIDS remains the major healthcare challenge faced by Botswana and the Company's operations in the country. If the number of new HIV/AIDS infections in Botswana continues to increase and if the Government of Botswana imposes more stringent obligations on employers related to HIV/AIDS prevention and treatment, the Company's operations in Botswana and its profitability and financial condition could be adversely affected.

The Company relies on key personnel and its management team and outside contractors (including those in Botswana), and the loss of one or more of these persons may adversely affect the Company

The Company's business is dependent on retaining the services of a small number of key personnel of the appropriate caliber as the business develops. The Company has entered into employment agreements with certain of its key executives. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of the directors and senior management and the loss of one or more could have a materially adverse effect on the Company.

The Company will rely heavily on sub-contractors to build, run and maintain the Dukwe Mining Project. The failure of a sub-contractor to perform properly its services to the Company could delay or frustrate mining operations, and have a materially adverse effect on the Company.

Insurance and uninsured risks

Although the Company maintains liability insurance against certain risks in an amount that it considers consistent with industry practice for a corporation in the development stage, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage, in which event the Company could incur significant costs that could have a material adverse effect upon the Company's business, financial condition and/or results of operation. As well, there are risks against which the Company cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance which may be taken out or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial condition and/or results of operation.

The Company will require significant additional insurance to cover construction and operating risks, as applicable. There can be no assurance that such insurance will be available or that the terms and costs of such insurance will not adversely affect the anticipated profitability of the Dukwe Mining Project and, therefore, the Company's business, financial condition and/or results of operation.

The Company has no operating history and a history of losses and there can be no assurance that the Company will ever be profitable

The Company has no mineral properties from which any ore has ever been extracted and sold and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future.

The success of current and future exploration activities cannot be assured

The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which even a combination of careful evaluation, experience and knowledge cannot eliminate. While discovery of a mineral structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenditure may be required to establish mineral reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that pre-feasibility studies or full feasibility studies on the Projects or the current or proposed exploration

programmes for the Projects will ever result in the discovery of an economically viable mineral deposit or in a profitable commercial mining operation.

Whether a copper deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of copper and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Projects not being, or ceasing to be, viable, which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may not be able to effectively manage its growth

The Company's ability to support the anticipated growth of its business will be substantially dependent upon, among other things, its successfully increasing and applying additional resources to support its activities. There is no assurance that the Company will be able to manage any future expansion successfully, and any inability to do so would have a material adverse effect on the Company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities, some of which are denominated in Sterling, Pula, Rand, United States dollars, Canadian dollars and Australian dollars. These accounts are recorded at cost which approximates their fair value at each reporting period end value in Sterling. The Company experiences financial gains or losses on these accounts as a result of foreign exchange movements against Sterling. The Company is exposed to currency risk related to the exploration and development expenditures on the Projects since it settles the majority of these expenditures either in local currency Pula or Rand. These expenditures are negatively impacted by increases in value of either Pula or Rand versus Sterling. As mine development costs are incurred and purchase commitments made for the development of the Dukwe Mining Project in 2007, the Company may acquire Pula and Rand or use derivative positions to lock in these costs in Sterling, if it believes it prudent to do so.

The Company has placed its cash and cash equivalents in short-term liquid deposits or investments which provide a revised rate of interest upon maturity.

Disclosure Controls and Procedures

There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Outstanding Share Data

Outstanding Ordinary Shares	Number
Balance 31 December 2006	130,507,185
Ordinary shares issued on the exercise of options during first quarter 2007	700,000
Balance 31 March 2007 and 14 May 2007	131,207,185

Options	Number	Weighted Average Exercise Price
Balance 31 December 2006	13,319,872	73.0p
Options granted	200,000	77.5p
Mortbury options exercised	(350,000)	35.0p
Mortbury options exercised	(350,000)	\$Can 0.25
Options cancelled	(630,000)	76.7p
Balance 31 March 2007 and 14 May 2007*	12,189,872	77.7p

*Includes 11,690,000 ordinary share options held by directors and employees and 499,872 underwriters options issued to the Company's Nominated Advisor as part of admission to the AIM market of the London Stock Exchange.