



**AFRICAN COPPER PLC**

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION**

**Three Months ended 31 March 2007**

**Expressed in Pounds Sterling**

The accompanying Financial Information for the three months ended 31 March 2007 and 31 March 2006 have not been reviewed or audited by the Company's Auditors and has an effective date of 14 May 2007.

**African Copper Plc**  
**Consolidated Income Statement**  
**(Unaudited)**

	Note	Three Months ended 31 March	
		2007 £'000	2006 £'000
Administrative expenses		(568)	(242)
Share based expenses		(222)	(4)
Depreciation		(16)	-
Exchange loss		(77)	-
<b>Operating loss</b>		<b>(883)</b>	<b>(246)</b>
<b>Finance income</b>			
Bank interest receivable		704	92
<b>Loss before and after tax</b>		<b>(179)</b>	<b>(154)</b>
Basic and diluted loss per ordinary share		0.14p	0.30p

The accompanying notes are an integral part of these consolidated financial statements.

**African Copper Plc**  
**Consolidated Balance Sheets**

	Note	As at 31 March (unaudited) 2007 £'000	As at 31 December audited 2006 £'000
<b>ASSETS</b>			
Property, plant and equipment	2	17,279	13,964
Deferred exploration costs	3	2,367	2,007
<b>Total non-current assets</b>		19,646	15,971
Other receivables and prepayments		485	648
Cash and cash equivalents		49,251	53,254
<b>Total current assets</b>		49,736	53,902
<b>Total assets</b>		69,382	69,873
<b>EQUITY</b>			
Issued share capital	5	1,312	1,305
Share premium		70,000	69,844
Acquisition reserve		4,485	4,485
Foreign currency translation reserve		(2,792)	(1,979)
Retained losses		(5,538)	(5,687)
<b>Total equity</b>		67,467	67,968
<b>LIABILITIES</b>			
Trade and other payables		1,915	1,905
<b>Total current liabilities</b>		1,915	1,905
<b>Total equity and liabilities</b>		69,382	69,873

The accompanying notes are an integral part of these consolidated financial statements.  
The comparative information has been restated in accordance with IFRS.

**African Copper Plc**  
**Consolidated Statement of Changes in Shareholders' Equity**

	Share Note Capital £'000	Share Premium £'000	Acquisition Reserve £'000	Foreign Currency Translation Reserve £'000	Retained Loss £'000	Total Equity £'000
<b>Balance at 1 January 2005</b>	500	15,157	4,485	-	(4,475)	15,667
Foreign exchange adjustments	-	-	-	(315)	-	(315)
Loss for the year	-	-	-	-	(612)	(612)
Total recognised loss for the year	-	-	-	(315)	(612)	(927)
New share capital subscribed	20	1,001	-	-	-	1,021
Credit arising on share options	-	-	-	-	508	508
<b>Balance at 31 December 2005</b>	520	16,158	4,485	(315)	(4,579)	16,269
Foreign exchange adjustments	-	-	-	(1,664)	-	(1,664)
Loss for the year	-	-	-	-	(2,100)	(2,100)
Total recognised loss for the year	-	-	-	(1,664)	(2,100)	(3,764)
New share capital subscribed	785	58,702	-	-	-	59,487
Share issue costs	-	(5,016)	-	-	-	(5,016)
Credit arising on share options	-	-	-	-	992	992
<b>Balance at 31 December 2006</b>	1,305	69,844	4,485	(1,979)	(5,687)	67,968
Foreign exchange adjustments	-	-	-	(813)	-	(813)
Loss for the period	-	-	-	-	(179)	(179)
Total recognised loss for the period	-	-	-	(813)	(179)	(992)
New share capital subscribed	7	156	-	-	-	163
Credit arising on share options	-	-	-	-	328	328
<b>Balance at 31 March 2007</b>	1,312	70,000	4,485	(2,792)	(5,538)	67,467

The accompanying notes are an integral part of these consolidated financial statements.

The comparative information has been restated in accordance with IFRS.

**African Copper Plc**  
**Consolidated Cash Flow Statement**

	Note	Three months ended 31 March	
		2007 £'000	2006 £'000
<b>Cash flows from operating activities</b>			
Administration expenses		(568)	(242)
Share based expenses		(222)	(4)
Depreciation		(16)	-
Operating loss from continuing operations		(806)	(246)
Decrease/(increase) in receivables		163	(618)
Decrease/(increase) in payables		9	(442)
Share based payment expense		222	4
Depreciation		16	-
<b>Cash used in operating activities</b>		<b>(396)</b>	<b>(1,302)</b>
Interest received		704	92
Net cash inflow/(outflow) from operating activities		308	(1,210)
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant and equipment		(3,957)	(8)
Payments of deferred exploration expenditures		(440)	(1,533)
Net cash outflow from investing activities		(4,397)	(1,541)
<b>Cash flows from financing activities</b>			
Issue of equity upon exercise of warrants		-	52
Issue of equity upon exercise of options		163	-
Net cash inflow from financing activities		163	52
<b>Net decrease in cash and cash equivalents</b>		<b>(3,926)</b>	<b>(2,699)</b>
Cash and cash equivalents at beginning of the period		53,254	10,676
Exchange loss		(77)	-
<b>Cash and cash equivalents at end of the period</b>		<b>49,251</b>	<b>7,977</b>

The accompanying notes are an integral part of these consolidated financial statements.

## **1. Nature of operations, going concern and adequacy of project finance**

African Copper Plc (“African Copper” or the “Company”) is a public limited company incorporated and domiciled in England and is listed on the AIM market of the London Stock Exchange, the Toronto Stock Exchange and the Botswana Stock Exchange. African Copper is a 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 developing its first copper mine at the Dukwe Project and is conducting an exploration programme at 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.

The accompanying interim consolidated financial information is prepared by management in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”) which are the same as those adopted by the European Union and with parts of the Companies Act 1985 applicable to companies reporting under IFRS. This interim consolidated financial information has been prepared on the basis of a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has not reached commercial production. The Company is continuing the development of the Dukwe Project, including finalizing the mine plan by incorporating the results of the recent infill drilling programme into the pit optimization study and accelerating development work, including entering into a mining contract. At such time as the mine plan is completed the capital cost of the Dukwe Project will be finalized and the additional capital requirements will be determined. 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 strategy contemplates cashflow generated from the proposed mining operations at the Dukwe Project to continue funding further exploration and development of the Matsitama Belt. The Company’s ability to continue as a going concern is ultimately dependent on the final capital cost of the Dukwe Project, its ability to fund additional working capital and obtain additional financing to complete the Dukwe Project and, eventually, to generate positive cashflows from mining operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Company’s audited consolidated financial statements and notes thereto for the year ended 31 December 2006. In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes for the year ended 31 December 2006.

The financial information for the twelve months ended 31 December 2006 has been derived from the Group’s audited financial statements for the period as filed with the Registrar of Companies. It does not constitute the financial statements for that period. The auditors’ report on the statutory financial statements for the year ended 31 December 2006 was unqualified and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985.

## 2. Property, Plant and Equipment

	Mine Development and Infrastructure £'000	Mine Plant and Equipment £'000	Other Assets £'000	Total £'000
<b><u>Cost</u></b>				
Balance at 1 January 2005	-	-	28	28
Additions	-	-	134	134
Balance at 31 December 2005	-	-	162	162
Balance at 1 January 2006	-	-	162	162
Reclassification from Deferred Exploration	10,395	241	-	10,636
Additions	3,322	146	337	3,805
Exchange adjustments	(458)	-	(32)	(490)
Balance at 31 December 2006	13,259	387	467	14,113
Balance at 1 January 2007	13,259	387	467	14,113
Additions	3,551	-	170	3,721
Exchange adjustments	(389)	(13)	(14)	(416)
<b>Balance at 31 March 2007</b>	<b>16,421</b>	<b>374</b>	<b>623</b>	<b>17,418</b>
<b><u>Depreciation and impairment losses</u></b>				
Balance at 1 January 2005	-	-	-	-
Depreciation charge for the year	-	-	(42)	(42)
Balance at 31 December 2005	-	-	(42)	(42)
Balance at 1 January 2006	-	-	(42)	(42)
Depreciation charge for the year	-	-	(115)	(115)
Exchange adjustments	-	-	8	8
Balance at 31 December 2006	-	-	(149)	(149)
Balance at 1 January 2007	-	-	(149)	(149)
Depreciation charge for the year	-	-	(19)	(19)
Exchange adjustments	-	-	29	29
<b>Balance at 31 March 2007</b>	<b>-</b>	<b>-</b>	<b>(139)</b>	<b>(139)</b>
<b><u>Carry amounts</u></b>				
Balance at 1 January 2005	-	-	28	28
Balance at 31 December 2005	-	-	120	120
Balance at 31 December 2006	13,259	387	318	13,964
<b>Balance at 31 March 2007</b>	<b>16,421</b>	<b>374</b>	<b>484</b>	<b>17,279</b>

### 3. Deferred exploration costs

	£'000
<b>Cost</b>	
Balance at 1 January 2005	2,330
Additions	5,144
Exchange adjustments	(315)
Balance 31 December 2005	7,159
Additions	6,175
Exchange adjustments	(691)
Reclassification to Mine Development and Infrastructure	(10,636)
Balance 31 December 2006	2,007
Additions	463
Exchange adjustments	(103)
<b>Balance 31 March 2007</b>	<b>2,367</b>

### 4. Related party transactions

The Company had related party transactions with companies in which directors of the Group have an interest and these transactions were incurred in the normal course of operations and are recorded at their exchange amount.

- (a) Under the terms of a serviced offices agreement which expired on 28 February 2007, £11,750 (2006 - £17,625) was paid to the Dragon Group, a company controlled by A.J. Williams, a director of the Company, to provide fully serviced office accommodation in the UK and reimbursed expenses. At 31 March 2007 a balance of £nil (2006 - £11,825) was outstanding.
- (b) Under the terms of a serviced offices agreement, £20,867 (2006 - £18,618) was paid to the Summit Resource Management Limited, a company controlled by D. Jones, a director of the Company, to provide fully serviced office accommodation in Canada, bookkeeping infrastructure and reimbursed expenses. At 31 March 2007 a balance of £2,620 (2006 - £nil) was outstanding.
- (c) 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 as 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.

## 5. Share Capital

	No. of shares	£'000
Authorised:		
At 31 December 2005 and 31 December 2006		
Ordinary shares of 1p each	495,000,000	4,950
Redeemable preference shares of £1 each	50,000	50
Issued:		
Balance at 1 January 2005	49,992,173	500
Ordinary shares issued on exercise of warrants	2,040,982	20
Balance at 31 December 2005	52,033,155	520
Ordinary shares issued on June 2006 placement	75,000,000	750
Ordinary shares issued on exercise of warrants	2,474,030	25
Ordinary shares issued on exercise of options	1,000,000	10
Balance at 31 December 2006	130,507,185	1,305
Ordinary shares issued on exercise of options	700,000	7
<b>Balance at 31 March 2007</b>	<b>131,207,185</b>	<b>1,312</b>

### Shares issued

During 2006, a total of 78,474,030 ordinary shares were issued for net cash consideration of £53,641,555 from the following:

- (i) public placement that raised gross proceeds of £57.96 million, through the issuance of 34,375,000 ordinary shares of 1p at 77.5p per share and 40,625,000 ordinary shares of 1p at Can\$1.60 per share. The net proceeds of the offering were £52.9 million after deducting a 6% cash commission to the underwriters of £3.48 million plus various professional fees and stamp duty reserve tax costs related to the offering.
- (ii) exercise of 2,474,030 warrants to purchase ordinary shares of the Company at 52.5p each.
- (iii) exercise of 900,000 share options to purchase ordinary shares of the Company at Can\$0.25 each and 100,000 share options to purchase ordinary shares of the Company at 35p each. These share options were options originally granted under the Mortbury Limited option plan.

On 29 March 2007 a total of 700,000 ordinary shares were issued for net cash consideration of £163,961 from the exercise of 350,000 share options to purchase ordinary shares of the Company at Can\$0.25 each and 350,000 share options to purchase ordinary shares of the Company at 35p each. These share options were options originally granted under the Mortbury Limited option plan.

### 6. Share purchase warrants

Number of Warrants at 31 March 2007	Number of Warrants at 31 March 2006	Date of Grant	Subscription Price	Exercise Period
-	2,374,030	26 May 2004	£0.525 from admission <sup>1</sup> until two years following admission date. £0.70 from that date until three years following admission date.	up to 3 years following admission.

1. Admission to the Alternative Investment Market of the London Stock Exchange at November 12, 2004.

## 7. 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 the vesting period is generally up to 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. At 31 March 2007 all Mortbury options had been exercised.

As part of admission to the AIM market of the London Stock Exchange, the Company issued its Nominated Advisor an option to subscribe for 499,872 ordinary shares at a price of 83.6p (the "Underwriters Options") for two years following 12 November 2004 (date of admission) and at a price of 91.2p for the third year of the exercise period.

As at 31 March 2007, ordinary share options held by directors and employees were as follows:

Exercise price (£)	Outstanding		Exercisable
	Number of Options	Weighted average remaining contractual life (years)	
0.35	500,000	7.48	333,333
0.76	2,630,000	7.86	2,523,334
0.775	8,560,000	9.40	3,228,000
	<b>11,690,000</b>		<b>6,084,667</b>

During the periods ended 2007 and 2006, director and employee stock options were granted, exercised and cancelled as follows:

	Weighted average exercise price in £ per share	Options
At 1 January 2006	0.56	5,160,000
Granted	0.775	8,660,000
Exercised	0.14	(1,000,000)
At 31 December 2006	0.74	12,820,000
Granted	0.775	200,000
Forfeited	0.77	(630,000)
Exercised	0.23	(700,000)
At 31 March 2007	0.77	11,690,000

The exercise of the outstanding stock options would be anti-dilutive in the loss per share calculation.

The fair value of 200,000 options granted during the three months ended 31 March 2007 (31 March 2006 - nil) has been estimated at the date of grant using a Black-Scholes option pricing model. The current period's valuation was calculated with the following assumptions: weighted average risk-free rate of 4.5% (31 March 2006 – 4.5%); volatility factor of the expected market price of the Company's common stock of 34% (31 March 2006 – 60%); and a weighted average expected life of the options of 5 years (31 March 2006 – 5 years). The resulting weighted average cost per option granted was 21.2p (31 March 2006 – 27p). The estimated fair value of the options is amortized over the vesting period and expensed to the Consolidated Income Statement or capitalized to property, plant and equipment and/or deferred exploration costs on the consolidated Balance Sheet.

## 8. Segmented Information

The Company has one operating segment: the acquisition, exploration and development of base metal projects located in Botswana.

	<b>31 March 2007 £'000</b>	<b>31 December 2006 £'000</b>
<b>Capital expenditure on property, plant and equipment:</b>		
Botswana	3,715	3,805
United Kingdom	6	-
	<b>3,721</b>	<b>3,805</b>
<b>Capital expenditure on deferred exploration:</b>		
Botswana	450	5,825
United Kingdom	13	350
	<b>463</b>	<b>6,175</b>

## 9. Commitments

The following is a summary of contractual commitments of the Company including payments due in the next three years and thereafter.

	<b>Total £'000</b>	<b>2007 £'000</b>	<b>2008 £'000</b>	<b>2009 £'000</b>	<b>2010 £'000</b>
Goods, services and long lead equipment <sup>(a)</sup>	10,302	10,302	-	-	-
Mining contract <sup>(b)</sup>	3,349	3,349			
Matsitama exploration licences <sup>(c)</sup>	1,076	294	375	326	81
Lease agreements <sup>(d)</sup>	231	109	109	13	-
	<b>14,958</b>	<b>14,054</b>	<b>484</b>	<b>339</b>	<b>81</b>

(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 engineering, procurement, construction and management contract ("EPCM") 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.

(b) In the event of an optional of the optional termination Moolman Mining Botswana (Pty) Ltd. mining

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contract by the Company, a maximum early termination payment of approximately £2.6 million, which payment may be reduced, depending upon the number of months notice given, to £nil upon 6 months notice, together with demobilization charges would be payable.

- (c) Under the terms of the Company's prospecting licences Matsitama is obliged to incur certain minimum expenditures.
- (d) The Company has entered into agreements for lease premises for various periods until 30 August 2009.