



AFRICAN COPPER PLC

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

Three and Six Months ended 30 June 2007

Expressed in Pounds Sterling

The accompanying Financial Information for the three and six months ended 30 June 2007 and 30 June 2006 have not been audited by the Company's Auditors and has an effective date of 13 August 2007.

African Copper Plc
Consolidated Income Statement
For the three and six month periods ended 30 June 2007
(Unaudited)

	Three Months Ended 30 June		Six Months Ended 30 June	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Administrative expenses	(551)	(267)	(1,119)	(509)
Share based expenses	(217)	-	(439)	(4)
Depreciation	(25)	-	(41)	-
Exchange gain/(loss)	56	282	(20)	282
Operating gain/(loss)	(737)	15	(1,619)	(231)
Finance income				
Bank interest receivable	786	240	1,489	332
Profit/(Loss) before and after tax	49	255	(130)	101
Basic and diluted earnings/(loss) per ordinary share	0.04p	0.36p	(0.10)p	0.16p

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 Balance Sheets

	Note	As at 30 June (unaudited) 2007 £'000	As at 31 December audited 2006 £'000
ASSETS			
Property, plant and equipment	3	24,102	13,964
Deferred exploration costs	4	2,969	2,007
Total non-current assets		27,071	15,971
Other receivables and prepayments		899	648
Other financial assets	5	1,864	-
Cash and cash equivalents		47,516	53,254
Total current assets		50,279	53,902
Total assets		77,350	69,873
EQUITY			
Issued share capital	7	1,396	1,305
Share premium		76,951	69,844
Acquisition reserve		4,485	4,485
Foreign currency translation reserve		(3,068)	(1,979)
Hedging reserves		(1,196)	-
Retained losses		(5,179)	(5,687)
Total equity		73,389	67,968
LIABILITIES			
Trade and other payables		3,961	1,905
Total current liabilities		3,961	1,905
Total equity and liabilities		77,350	69,873

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

African Copper Plc
Consolidated Statement of Changes in Shareholders' Equity

	Share Capital £'000	Share Premium £'000	Acquisition Reserve £'000	Foreign Currency Translation Reserve £'000	Hedging Reserve £'000	Retained Loss £'000	Total Equity £'000
Balance at 1 January 2006	520	16,158	4,485	(315)	-	(4,579)	16,269
Foreign exchange adjustments	-	-	-	(1,109)	-	-	(1,109)
Profit for the period	-	-	-	-	-	101	101
Total recognised loss for the period	-	-	-	(1,109)	-	101	(1,008)
New share capital subscribed	761	57,496	-	-	-	-	58,257
Share issue costs	-	(5,016)	-	-	-	-	(5,016)
Credit arising on share options	-	-	-	-	-	46	46
Balance at 30 June 2006	1,281	68,638	4,485	(1,424)	-	(4,432)	68,548
Foreign exchange adjustments	-	-	-	(555)	-	-	(555)
Loss for the period	-	-	-	-	-	(2,201)	(2,201)
Total recognised loss for the period	-	-	-	(555)	-	(2,201)	(2,756)
New share capital subscribed	24	1,206	-	-	-	-	1,230
Share issue costs	-	-	-	-	-	-	-
Credit arising on share options	-	-	-	-	-	946	946
Balance at 31 December 2006	1,305	69,844	4,485	(1,979)	-	(5,687)	67,968
Foreign exchange adjustments	-	-	-	(1,089)	-	-	(1,089)
Fair value loss on financial instruments	-	-	-	-	(1,196)	-	(1,196)
Loss for the period	-	-	-	-	-	(130)	(130)
Total recognised loss for the period	-	-	-	(1,089)	(1,196)	(130)	(2,415)
New share capital subscribed	91	7,509	-	-	-	-	7,600
Share issue costs	-	(402)	-	-	-	-	(402)
Credit arising on share options	-	-	-	-	-	638	638
Balance at 30 June 2007	1,396	76,951	4,485	(3,068)	(1,196)	(5,179)	73,389

African Copper Plc
Consolidated Cash Flow Statement

	Note	Three Months Ended 30 June		Six Months Ended 30 June	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Cash flows from operating activities					
Administration expenses		(551)	(267)	(1,119)	(509)
Share based expenses		(217)	-	(439)	(4)
Depreciation		(25)	-	(41)	-
Operating loss from continuing operations		(793)	(267)	(1,599)	(513)
Decrease/(increase) in receivables		(414)	554	(251)	(65)
Decrease/(increase) in payables		(7)	505	2	63
Share based payment expense		217	-	439	4
Depreciation		25	-	41	-
Cash used in operating activities		(972)	792	(1,368)	(511)
Interest received		786	239	1,489	332
Net cash inflow/(outflow) from operating activities		(186)	1,031	121	(179)
Cash flows from investing activities					
Payments to acquire property, plant and equipment		(5,058)	(97)	(9,016)	(105)
Payments of deferred exploration expenditures		(522)	(2,559)	(961)	(4,092)
Purchase of financial instruments		(3,060)	-	(3,060)	-
Net cash outflow from investing activities		(8,640)	(2,656)	(13,037)	(4,197)
Cash flows from financing activities					
Issue of equity upon exercise of warrants		-	-	-	52
Issue of equity upon exercise of options		-	145	163	145
Issue of equity share capital		7,035	53,043	7,035	53,043
Net cash inflow from financing activities		7,035	53,188	7,198	53,240
Net decrease in cash and cash equivalents		(1,791)	51,563	(5,718)	48,864
Cash and cash equivalents at beginning of the period		49,251	7,977	53,254	10,676
Exchange loss		56	282	(20)	282
Cash and cash equivalents at end of the period		47,516	59,822	47,516	59,822

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.

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.

2. Basis of Preparation

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 and are consistent with the principles of 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. 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.

Derivative financial instruments

The Group uses derivative financial instruments, in particular put contracts, to manage financial risks associated with their underlying business activities and the financing of those activities. Derivative financial instruments are measured at their fair value.

Financial assets and liabilities are recognised on the balance sheet when the Group has become party to the contractual obligations of the instrument. Derivative financial instruments, which are not effective hedges, are measured at fair value, with the movement in fair value being recognized in the consolidated income statement for the period. Movements in the fair value of derivative financial instruments which are considered effective hedges are recognised directly in equity.

3. Property, Plant and Equipment

	Mine Development and Infrastructure £'000	Mine Plant and Equipment £'000	Other Assets £'000	Total £'000
<u>Cost</u>				
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	10,455	-	248	10,703
Exchange adjustments	(487)	(18)	(18)	(523)
Balance at 30 June 2007	23,227	369	697	24,293
<u>Depreciation and impairment losses</u>				
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	-	-	(48)	(48)
Exchange adjustments	-	-	6	6
Balance at 30 June 2007	-	-	(191)	(191)
<u>Carry amounts</u>				
Balance at 1 January 2006	-	-	120	120
Balance at 31 December 2006	13,259	387	318	13,964
Balance at 30 June 2007	23,227	369	506	24,102

4. Deferred exploration costs

	£'000
Cost	
Balance at 1 January 2006	7,159
Additions	6,175
Exchange adjustments	(691)
Reclassification to Mine Development and Infrastructure	(10,636)
Balance 31 December 2006	2,007
Additions	1,063
Exchange adjustments	(101)
Balance 30 June 2007	2,969

5. Other Financial Assets

	30 June 2007 £'000	31 December 2006 £'000
Copper put contracts designated as a cash flow hedge	1,864	-

6. 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, the Company was charged nil amount (2006: £17,625) for the three months ended 30 June 2007 and £11,750 (2006 - £35,250) for the six months ended 30 June 2007 by the Dragon Group, a company controlled by A.J. Williams, a director of the Company, for the provision of fully serviced office accommodation in the UK and reimbursed expenses. At 30 June 2007 a balance of £nil (2006 - £5,875) was outstanding.
- (b) Under the terms of a serviced offices agreement, the Company was charged £19,501 (2006:£18,618) for the three months ended 30 June 2007 and £40,368 (2006 - £37,236) for the six months ended 30 June 2007 by 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 30 June 2007 a balance of £3,676 (2006 - £nil) was outstanding.

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 30 June 2007 and £82,400 (2006: £nil) for the six months ended 30 June 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.

7. Share Capital

	No. of shares	£'000
Authorised:		
At 30 June 2007 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 2006	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
Ordinary shares issued on June 2007 placement	8,367,772	84
Balance at 30 June 2007	139,574,957	1,396

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.

On 25 June 2007, a total of 8,367,772 ordinary shares were issued at a price of 11 Botswana Pula (approximately £0.89 and C\$1.89) per ordinary share, raising total gross proceeds of 92,045,492 Botswana Pula (approximately £7.5 million or C\$15.9 million). The Company paid a capital raising fee in cash to Capital Corporate Finance (Pty) Ltd. (Gaborone, Botswana) equal to 5% (exclusive of taxes) of the proceeds raised pursuant to the private placement.

8. Share purchase warrants

Number of Warrants at 30 June 2007	Number of Warrants at 30 June 2006	Date of Grant	Subscription Price	Exercise Period
-	2,374,030	26 May 2004	£0.525 from admission ¹ 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.

9. 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 30 June 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 30 June 2007, ordinary share options held by directors and employees were as follows:

Exercise price (£)	Outstanding		Weighted average remaining contractual life (years)	Exercisable
	Number of Options			Number of options
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
	11,690,000			6,084,667

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 30 June 2007	0.77	11,690,000

The exercise of the outstanding stock options would not be dilutive in the loss per share calculation.

The fair value of 200,000 options granted during the six months ended 30 June 2007 (30 June 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 5.0%; volatility factor of the expected market price of the Company's common stock of 40%; and a weighted average expected life of the options of 5 years. 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.

10. Commitments

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

	Total £'000	2007 £'000	2008 £'000	2009 £'000	2010 £'000
Goods, services and long lead equipment ^(a)	10,581,073	10,581,073	-	-	-
Mining contract ^(b)	3,243,958	3,243,958	-	-	-
Matsitama exploration licences ^(c)	1,406,416	655,306	750,938	86	86
Lease agreements ^(d)	216,857	84,028	118,266	14,563	-
	15,448,304	14,564,365	869,204	14,649	86

(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 the optional termination of the Moolman Mining Botswana (Pty) Ltd. mining contract by the Company, a maximum early termination payment of approximately £2.5 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.