



AFRICAN COPPER PLC

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

Three and Nine Months ended 30 September 2007

Expressed in Pounds Sterling

The accompanying Financial Information for the three and nine months ended 30 September 2007 and 30 September 2006 have not been audited nor reviewed by the Company's Auditors and has an effective date of 13 November 2007.

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

	Three Months Ended 30 September		Nine Months Ended 30 September	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Administrative expenses	(407)	(308)	(1,526)	(818)
Share based expenses	(26)	(453)	(465)	(457)
Depreciation	(12)	-	(53)	-
Exchange gain/(loss)	43	(579)	23	(296)
Operating loss	(402)	(1,340)	(2,021)	(1,571)
Finance income				
Bank interest receivable	796	660	2,285	992
Profit/(Loss) before and after tax	394	(680)	264	(579)
Basic earnings/(loss) per ordinary share	0.28p	(0.53)p	0.20p	(0.69)p
Diluted earnings per ordinary share	0.26p	-	0.18p	-

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 September (unaudited) 2007 £'000	As at 31 December audited 2006 £'000
ASSETS			
Property, plant and equipment	3	34,384	13,964
Deferred exploration costs	4	3,709	2,007
Other financial assets	5	4,083	-
Total non-current assets		42,176	15,971
CURRENT ASSETS			
Other receivables and prepayments		1,192	648
Other financial assets	6	1,030	-
Cash and cash equivalents		34,580	53,254
Total current assets		36,802	53,902
Total assets		78,978	69,873
EQUITY			
Issued share capital	8	1,396	1,305
Share premium		76,947	69,844
Acquisition reserve		4,485	4,485
Foreign currency translation reserve		(2,178)	(1,979)
Hedging reserves		(2,030)	-
Retained losses		(4,692)	(5,687)
Total equity		73,928	67,968
LIABILITIES			
Asset retirement obligation	11	455	-
Total non-current liabilities		455	-
Trade and other payables		4,595	1,905
Total current liabilities		4,595	1,905
Total equity and liabilities		78,978	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	-	-	-	(1,819)	-	-	(1,819)
Loss for the period	-	-	-	-	-	(579)	(579)
Total recognised loss for the period	-	-	-	(1,819)	-	(579)	(2,398)
New share capital subscribed	778	58,355	-	-	-	-	59,133
Share issue costs	-	(5,159)	-	-	-	-	(5,159)
Credit arising on share options	-	-	-	-	-	817	817
Balance at 30 September 2006	1,298	69,354	4,485	(2,134)	-	(4,341)	68,662
Foreign exchange adjustments	-	-	-	155	-	-	155
Loss for the period	-	-	-	-	-	(1,521)	(1,521)
Total recognised loss for the period	-	-	-	155	-	(1,521)	(1,366)
New share capital subscribed	7	490	-	-	-	-	497
Share issue costs	-	-	-	-	-	-	-
Credit arising on share options	-	-	-	-	-	175	175
Balance at 31 December 2006	1,305	69,844	4,485	(1,979)	-	(5,687)	67,968
Foreign exchange adjustments	-	-	-	(199)	-	-	(199)
Fair value loss on financial instruments	-	-	-	-	(2,030)	-	(2,030)
Profit for the period	-	-	-	-	-	264	264
Total recognised loss for the period	-	-	-	(199)	(2,030)	264	(1,965)
New share capital subscribed	91	7,509	-	-	-	-	7,600
Share issue costs	-	(406)	-	-	-	-	(406)
Credit arising on share options	-	-	-	-	-	731	731
Balance at 30 September 2007	1,396	76,947	4,485	(2,178)	(2,030)	(4,692)	73,928

African Copper Plc
Consolidated Cash Flow Statement

	Note	Three Months Ended 30 September		Nine Months Ended 30 September	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Cash flows from operating activities					
Administration expenses		(407)	(308)	(1,526)	(818)
Share based expenses		(26)	(453)	(465)	(457)
Depreciation		(12)	-	(53)	-
Operating loss from continuing operations		(445)	(761)	(2,044)	(1,275)
Decrease/(increase) in receivables		(293)	8	(544)	(57)
Decrease/(increase) in payables		76	(307)	78	(242)
Share based payment expense		26	453	465	457
Depreciation		12	-	53	-
Cash used in operating activities		(624)	(607)	(1,992)	(1,117)
Interest received		796	660	2,285	992
Net cash inflow/(outflow) from operating activities		172	53	293	(125)
Cash flows from investing activities					
Payments to acquire property, plant and equipment		(8,322)	(77)	(17,339)	(182)
Payments of deferred exploration expenditures		(741)	(1,870)	(1,702)	(5,962)
Purchase of financial instruments		-	-	(3,060)	-
Other financial assets		(4,083)	-	(4,083)	-
Net cash outflow from investing activities		(13,146)	(1,947)	(26,184)	(6,144)
Cash flows from financing activities					
Issue of equity upon exercise of warrants		-	876	-	928
Issue of equity upon exercise of options		-	-	163	145
Issue of equity share capital		(5)	(142)	7,031	52,900
Net cash inflow from financing activities		(5)	734	7,194	53,973
Net decrease in cash and cash equivalents		(12,979)	(1,160)	(18,697)	47,704
Cash and cash equivalents at beginning of the period		47,516	59,822	53,254	10,676
Exchange loss		43	(579)	23	(297)
Cash and cash equivalents at end of the period		34,580	58,083	34,580	58,083

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 (“Mowana Mine”) and is conducting an exploration programme at the Matsitama Project. The Mowana Mine is located in the northeastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Mowana Mine.

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 and is continuing the construction and development of the Mowana Mine. With the prospect of increasing the efficiency of the Mowana Mine process for the production of concentrate beyond that envisaged in its current plans, the Company is finalising a feasibility study on a dense media separation plant (“DMS”) for the Mowana Mine and completing a Canadian National Instrument 43-101 compliant technical report (the “Technical Report”). At such time as the Technical Report is completed, the total capital cost including the pre-strip mining programme of the optimized Mowana Mine will be finalised. If the feasibility study on the DMS plant is positive, it is expected that the project optimization will require further capital to realize the benefits of the process improvements that will be outlined in the Technical Report. The Company expects to fund this additional capital through a combination of debt and/or equity

The strategy contemplates cashflow generated from the proposed mining operations at the Mowana Mine 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 completion of the development of the Mowana Mine, the profitable operation of the Mowana Mine, its ability to fund additional working capital and obtain any additional financing to complete the Mowana Mine 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.

Asset retirement obligations

Asset retirement obligations are future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site. The asset retirement cost is capitalised as part of the asset's carrying value and amortized over the asset's useful life. Subsequent to the initial recognition of the asset retirement obligation and associated asset retirement cost and changes resulting from a revision to either timing or the amount estimated, cash flows are prospectively reflected in the year those estimates change. The liability is accreted over time through period charges to the Consolidated Income Statement.

3. Property, Plant and Equipment

	Mine Development and Infrastructure £'000	Mine Plant and Equipment £'000	Other Assets £'000	Asset Retirement Obligation	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	19,982	-	403	455	20,840
Exchange adjustments	(325)	(13)	(13)	-	(351)
Balance at 30 September 2007	32,916	374	857	455	34,602
<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 period	-	-	(73)	-	(73)
Exchange adjustments	-	-	4	-	4
Balance at 30 September 2007	-	-	(218)	-	(218)

Carry amounts

Balance at 1 January 2006	-	-	120	-	120
Balance at 31 December 2006	13,259	387	318	-	13,964
Balance at 30 September 2007	32,916	374	639	455	34,384

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		1,801
Exchange adjustments		(99)
Balance 30 September 2007		3,709

5. Other Non-Current Assets

	30 September 2007 £'000	31 December 2006 £'000
Bank guarantee	4,083	-

50 million Botswana Pula has been lodged in favour of Moolman Mining Botswana (Pty) Ltd. ("Moolman") under the terms of a bank guarantee. As part of the Moolman 5-year mining contract (the "Contract") for the Mowana Mine in Botswana, the Company's subsidiary was required to obtain a bank guarantee in support of certain payment obligations in the Contract. Within 21 days of Moolman receiving final payment of all monies owing under the Contract the payment guarantee ceases.

6. Other Current Financial Assets

	30 September 2007 £'000	31 December 2006 £'000
Copper put contracts designated as a cash flow hedge	1,030	-

7. 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: £18,102) for the three months ended 30 September 2007 and £11,750 (2006 - £53,352) for the nine months ended 30 September 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 September 2007 a balance of £nil (2006 - £12,227) was outstanding.
- (b) Under the terms of a serviced offices agreement, the Company was charged £18,444 (2006:£20,931) for the three months ended 30 September 2007 and £58,812 (2006 - £58,170) for the nine months ended 30 September 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 September 2007 a balance of £3,676 (2006 - £2,279) 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 - £41,200) during the three months ended 30 September 2007 and £123,600 (2006: £41,200) for the nine months ended 30 September 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.

8. Share Capital

	No. of shares	£'000
Authorised:		
At 30 September 2007 and 31 December 2006		
Ordinary shares of 1p each	495,000,000	4,950
Redeemable preference shares of £1each	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 September 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.

9. Share purchase warrants

Number of Warrants at 30 September 2007	Number of Warrants at 30 September 2006	Date of Grant	Subscription Price	Exercise Period
-	706,000	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.

10. 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 September 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 September 2007, ordinary share options held by directors and employees were as follows:

Exercise price (£)	Outstanding Number of Options	Weighted average remaining contractual life (years)	Exercisable Number of options
0.35	500,000	6.98	500,000
0.76	2,505,000	7.28	2,398,333
0.775	8,410,000	8.90	6,923,332
	11,415,000		9,821,665

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	(905,000)
Exercised	0.23	(700,000)
At 30 September 2007	0.77	11,415,000

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 nine months ended 30 September 2007 (30 September 2006 – 7,710,000) 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.

11. Asset retirement obligations

The Company estimates the total discounted amount of cash flows required to settle its asset retirement obligations at 30 September 2007 is £454,675. Although the ultimate amount to be incurred is uncertain, the independent Environmental Impact Statement, completed on the Mowana Mine by Water Surveys Botswana (Pty) Limited in September 2006, using an assumption that mining continues to 2023, estimated the undiscounted cost to rehabilitate the Mowana Mine site of 24.3 million Botswana Pula.

Under the terms of the Mining Licence, by the end of the first financial year in which copper is produced and sold, the Company must establish a trust fund to provide for rehabilitation of the Mowana Mine site once the mine closes. The Company will annually make contributions to this fund over the life of the mine so that these capital contributions together with the investment income earned will cover the anticipated costs. At the end of each financial year the Company will reassess the estimated remaining life of mine as well as the cost to rehabilitate the mine site and adjust its annual contributions accordingly.

12. Commitments

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

	Total	2007	2008	2009	2010
	£'000	£'000	£'000	£'000	£'000
Goods, services and long lead equipment ^(a)	10,655,714	10,655,714	-	-	-
Mining contract ^(b)	3,288,445	3,288,445	-	-	-
Matsitama exploration licences ^(c)	1,425,698	664,291	761,235	86	86
Lease agreements ^(d)	188,976	54,186	120,027	14,763	-
	15,558,833	14,662,636	881,262	14,849	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 housing and mine facilities at the Mowana Mine.
- (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 £2.6 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.