



AFRICAN COPPER PLC

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

Three and Nine Months ended 30 September 2008

Expressed in Pounds Sterling

The accompanying Financial Information for the three and nine months ended 30 September 2008 and 30 September 2007 have not been audited nor reviewed by the Company's Auditors and has an effective date of 14 November 2008.

African Copper Plc
Consolidated Income Statement
For the three and nine month periods ended 30 September 2008
(Unaudited)

	Three Months Ended 30 September		Nine Months Ended 30 September	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Administrative expenses	(625)	(407)	(2,216)	(1,526)
Loss on derivative financial instruments	(731)	-	(1,545)	-
Share based expenses	(17)	(26)	(61)	(465)
Depreciation	-	(12)	-	(53)
Exchange(loss)/gain	(1)	43	(836)	23
Impairment of property, plant and equipment	(41,597)	-	(41,597)	-
Operating loss	(42,971)	(402)	(46,255)	(2,021)
Finance income				
Bank interest receivable	244	796	1,300	2,285
Interest expense	(427)	-	(846)	-
(Loss)/Profit before and after tax	(43,154)	394	(45,801)	264
Basic (loss)/earnings per ordinary share	(29.69p)	0.28p	(31.51p)	0.20p
Diluted (loss)/earnings per ordinary share	(29.69p)	0.26p	(31.51p)	0.18p

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

African Copper Plc
Consolidated Balance Sheets

	Note	As at 30 September (unaudited) 2008 £'000	As at 31 December audited 2007 £'000
ASSETS			
Property, plant and equipment	4	41,598	48,248
Deferred exploration costs	5	5,763	4,322
Other financial assets	6	171	4,167
Total non-current assets		47,532	56,737
CURRENT ASSETS			
Other receivables and prepayments		981	1,903
Inventories	7	1,384	-
Derivative financial assets	8	601	1,841
Cash and cash equivalents		7,688	22,428
Total current assets		10,654	26,172
Total assets		58,186	82,909
EQUITY			
Issued share capital	9	1,469	1,396
Share premium		81,973	76,947
Acquisition reserve		4,485	4,485
Foreign currency translation reserve		(3,769)	(1,207)
Hedging reserve		(507)	(812)
Retained losses		(50,547)	(4,843)
Total equity		33,104	75,966
LIABILITIES			
Interest bearing borrowings	11	11,756	-
Asset retirement obligation	12	2,117	464
Total non-current liabilities		13,873	464
Trade and other payables		11,209	6,479
Total current liabilities		11,209	6,479
Total equity and liabilities		58,186	82,909

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 2007	1,305	69,844	4,485	(1,979)	-	(5,687)	67,968
Foreign exchange adjustments	-	-	-	(199)	-	-	(199)
Fair value loss on cash flow hedge instruments	-	-	-	-	(2,030)	-	(2,030)
Gain for the period	-	-	-	-	-	264	264
Total recognised loss for the period	-	-	-	(199)	(2,030)	264	(1,965)
Balance at 30 September 2007	1,396	76,947	4,485	(2,178)	(2,030)	(4,692)	73,928
Foreign exchange adjustments	-	-	-	971	-	-	971
Fair value loss on cash flow hedge instruments	-	-	-	-	1,218	-	1,218
Total recognized income and expense recognized directly in equity	-	-	-	971	1,218	-	2,189
Loss for the period	-	-	-	-	-	(151)	(151)
Total recognized gain for the period	-	-	-	971	1,218	(151)	2,038
New share capital subscribed	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Credit arising on share options	-	-	-	-	-	-	-
Balance at 31 December 2007	1,396	76,947	4,485	(1,207)	(812)	(4,843)	75,966
Foreign exchange adjustments	-	-	-	(2,562)	-	-	(2,562)
Net loss on cash flow hedge	-	-	-	-	(561)	-	(561)
Net loss on cashflow hedge removed from equity and reported in the income statement	-	-	-	-	866	-	866
Total recognized expense recognized directly in equity	-	-	-	(2,562)	305	-	(2,257)
Loss for the period	-	-	-	-	-	(45,801)	(45,801)
Total recognized loss for the period	-	-	-	(2,562)	305	(45,801)	(48,058)
New share capital subscribed	73	5,026	-	-	-	-	5,099
Credit arising on share options	-	-	-	-	-	97	97
Balance at 30 September 2008	1,469	81,973	4,485	(3,769)	(507)	(50,547)	33,104

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

African Copper Plc
Consolidated Cash Flow Statement

	Three Months Ended		Nine Months Ended	
	30 September		30 September	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Administration expenses	(625)	(407)	(2,216)	(1,526)
Share based expenses	(17)	(26)	(61)	(465)
Depreciation	-	(12)	-	(53)
Accrued interest	(427)	-	(846)	-
Impairment of property, plant and equipment	(41,597)	-	(41,597)	-
Operating loss from continuing operations	(42,666)	(445)	(44,720)	(2,044)
Decrease/(increase) in receivables	833	(293)	922	(544)
Increase in inventories	(479)	-	(1,384)	-
(Decrease)/increase in payables	(46)	76	(32)	78
Share based payment expense	17	26	61	465
Depreciation	-	12	-	53
Accrued interest	427	-	846	-
Impairment of property, plant and equipment	41,597	-	41,597	-
Cash used in operating activities	(317)	(624)	(2,710)	(1,992)
Interest received	244	796	1,300	2,285
Net cash (outflow)/inflow from operating activities	(73)	172	(1,410)	293
Cash flows from investing activities				
Payments to acquire property, plant and equipment	(8,460)	(8,322)	(31,905)	(17,339)
Payments of deferred exploration expenditures	(610)	(741)	(1,440)	(1,702)
Purchase of financial instruments	-	-	-	(3,060)
Receipts/(payment) to other financial assets	3,996	(4,083)	3,996	(4,083)
Net cash outflow from investing activities	(5,074)	(13,146)	(29,349)	(26,184)
Cash flows from financing activities				
Issue of equity upon exercise of options	-	-	-	163
Issue of equity share capital	-	(5)	5,099	7,031
Proceeds from interest bearing borrowings	-	-	11,756	-
Net cash inflow from financing activities	-	(5)	16,855	7,194
Net decrease in cash and cash equivalents	(5,147)	(12,979)	(13,904)	(18,697)
Cash and cash equivalents at beginning of the period	12,836	47,516	22,428	53,254
Exchange (loss)/profit	(1)	43	(836)	23
Cash and cash equivalents at end of the period	7,688	34,580	7,688	34,580

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 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 has recently commissioned and commenced production at the 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.

Going Concern:

In light of recent volatile credit and commodity market conditions management has decided to conserve capital where possible and therefore postpone the finalisation of the expansion plan that was described in the second quarter Management Discussion and Analysis (“MD&A”). The expansion plan took into account certain development expenditures including additional capital for a 300 tonne per hour Dense Media Separation (“DMS”) plant.

Based on the Company’s current working capital deficit position, the availability of ore stocks at the Mowana Mine as well as a much weaker copper price, market volatility and uncertainty, management is planning to implement an aggressive programme to reduce fixed and variable operating costs and adjust mining rates with a view to maximizing operating margins and minimizing capital and operating expenditures (the “Interim Plan”). Management believes that the Interim Plan will enable the Company to continue operations until such time as market conditions stabilize and the expansion plan can be completed in the context of such market conditions.

To address the Company’s current working capital deficit and fund the Interim Plan the Company will require up to £9.7 million (\$US 15 million) in immediate additional working capital funding to undertake these activities. Management is in discussion with a number of finance providers to provide the necessary capital but there is no certainty that any of these discussions will result in the raising of the required additional funds. The Company’s ability to meet its obligations and continue as a going concern is dependent on its ability to identify and complete such funding within the next 60 days, including the approval of such funding by the Company’s shareholders at an Extraordinary General Meeting. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern, which adjustments could be material.

2. Market Conditions and Impairment

The rapid deterioration and volatility in the global financial markets and the resulting volatility and recent significant downturn in the copper price has necessitated that management review and consider possible mining and processing strategies for the Mowana Mine. The Directors consider that, as a result of current market conditions and other potential impairment indicators, it is appropriate to make a provision in respect of the carrying value of the Mowana Mine in the financial statements. The Directors have insufficient information available to them at this time, particularly related to the impact of current market conditions on possible long-term alternative mining plans at the Mowana Mine, to perform an impairment review, in accordance with the relevant International Accounting Standards, with any certainty to determine the level of such impairment. However, to be prudent, during the three months ended 30 September 2008 the carrying value of the Mowana Mine and the related plant and equipment was written down by 50% or £41.6 million. The Directors intend to instruct management to complete a full impairment review as part of the year-end audit to determine the appropriate carrying value for financial reporting purposes.

3. Basis of Preparation

General Information

The financial information contained in this Interim Report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. No statutory accounts for the period have been delivered to the

Registrar of Companies. The financial information contained in this Interim Report has not been audited by the auditors.

The statutory accounts for the year ended 31 December 2007 have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985.

The Group's interim financial information for the period has been prepared in accordance with accounting policies consistent with those adopted in the financial statements for the year ended 31 December 2007, except as explained in Note 2 – Market Conditions and Impairment, and has been drawn up in accordance with International Accounting Standard 34, "Interim Financial Reporting".

In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements except as explained in Note 2 – Market Conditions and Impairment. 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 2007.

4. Property, Plant and Equipment

	Mine Development and Infrastructure £'000	Mine Plant and Equipment £'000	Other Assets £'000	Total £'000
Cost				
Balance at 1 January 2007	13,259	387	467	14,113
Additions	32,376	-	2,204	34,580
Exchange adjustments	(150)	(5)	(6)	(161)
Balance at 31 December 2007	45,485	382	2,665	48,532
Balance at 1 January 2008	45,485	382	2,665	48,532
Additions	36,088	-	1,475	37,563
Exchange adjustments	(2,269)	(20)	(96)	(2,385)
Balance at 30 September 2008	79,304	362	4,044	83,710
Depreciation and impairment losses				
Balance at 1 January 2007	-	-	(149)	(149)
Depreciation charge for the year	-	-	(137)	(137)
Exchange adjustments	-	-	2	2
Balance at 31 December 2007	-	-	(284)	(284)
Balance at 1 January 2008	-	-	(284)	(284)
Depreciation charge for the period	(16)	-	(229)	(245)
Impairment of property, plant and equipment	(39,644)	(181)	(1,772)	(41,597)
Exchange adjustments	-	-	14	14
Balance at 30 September 2008	(39,660)	(181)	(2,271)	(42,112)

Carrying amounts				
Balance at 1 January 2007	13,259	387	318	13,964
Balance at 31 December 2007	45,485	382	2,381	48,248
Balance at 1 January 2008	45,485	382	2,381	48,248
Balance at 30 September 2008	39,644	181	1,773	41,598

Impairment loss

At this time the Directors consider that, as a result of current market conditions and other potential impairment indicators, it is appropriate to make a provision in respect of the carrying value of the Mowana Mine in the financial statements. The Directors have insufficient information available to them at this time, particularly related to the impact of current market conditions on possible long-term alternative mining plans at the Mowana Mine, to perform an impairment review, in accordance with the relevant International Accounting Standards, with any certainty to determine the level of such impairment. However, to be prudent, during the three months ended 30 September 2008 the carrying value of the Mowana Mine and the related plant and equipment was written down by 50% or £41.6 million. The Directors intend to instruct management to complete a full impairment review as part of the year-end audit to determine the appropriate carrying value for financial reporting purposes.

5. Deferred Exploration Costs

	£'000
Cost	
Balance at 1 January 2007	2,007
Additions	2,347
Exchange adjustments	(32)
Balance at 31 December 2007	4,322
Balance at 1 January 2008	4,322
Additions	1,660
Exchange adjustments	(219)
Balance at 30 September 2008	5,763

6. Other Non-Current Assets

	30 September 2008 £'000	31 December 2007 £'000
Bank guarantee	171	4,167

As part of the five year mining contract for the Mowana Mine, in August 2007 Botswana Pula 50 million was lodged by Messina Copper (Botswana) (Pty) Ltd ("Messina") in favour of Moolman Mining Botswana (Pty) Ltd ("Moolman") as security for Messina's obligations under the Contract. At the request of the Company, on 29 July 2008 Moolman released such funds and Messina agreed to re-instate such security by 30 June 2009. In consideration for the release of such funds, Messina granted Moolman a lien over the run of mine ore, ore stockpiles and copper concentrate at the Mowana site. The remaining £171,000 balance at 30 September relates to a payment guarantee to Botswana Power Corporation in respect of the Mowana Mine.

7. Inventories

	30 September 2008 £'000	31 December 2007 £'000
Stockpile Inventories	1,020	-
Consumables	364	-
Total Inventories	1,384	-

8. Derivative Financial Assets

	30 September 2008 £'000	31 December 2007 £'000
Copper put contracts designated as a cash flow hedge	601	1,383
Copper put contracts designated as fair value through income statement	-	458
Total Derivative Financial Assets	601	1,841

On 12 November 2008 copper put contracts were sold generating total proceeds to the Company of £3,000,155 (see Note 15).

9. 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 2007	130,507,185	1,305
Ordinary shares issued on private placement	8,367,772	84
Ordinary shares issued on exercise of options	700,000	7
Balance at 31 December 2007	139,574,957	1,396
Ordinary shares issued on Private placement	7,284,000	73
Balance at 30 September 2008	146,858,957	1,469

Shares issued

During 2007, a total of 9,067,772 ordinary shares were issued for net cash consideration of £7,194,078 from the following:

(i) 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.

(ii) 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 £7.4 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.

On 8 February 2008, a total of 7,284,000 ordinary shares at a price of £0.70 per ordinary shares, raising total net proceeds of £5,098,800. This private placement was completed as part of the finalization of a comprehensive off-take agreement for the Mowana Mine concentrates.

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. In 2005 all options were granted at 76p and in 2006 and 2007 all options were granted at 77.5p.

As at 30 September 2008, 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	5.98	500,000
0.76	2,505,000	6.34	2,485,000
0.775	8,210,000	7.88	7,493,329
	11,215,000		10,478,329

During the periods ended 2008 and 2007, director and employee stock options were granted, exercised and cancelled as follows:

	Weighted average exercise price in £ per share	Options
At 1 January 2007	0.73	13,319,872
Granted	0.775	200,000
Forfeited	0.77	(1,404,872)
Exercised	0.23	(700,000)
At 31 December 2007	0.76	11,415,000
Granted	-	-
Forfeited	0.775	(200,000)
Exercised	-	-
At 30 September 2008	0.75	11,215,000
Exercisable at the end of the period	0.75	10,478,329

The total expense in respect of share based payments for the period was £96,974(2007: £731,291), of which £61,424 (2007:£464,517) was recorded as an expense in the income statement and £35,550 (2007: £266,774) was capitalised as part of deferred exploration costs.

11. Interest bearing borrowings

On 4 April 2008 Messina, the Company's wholly-owned subsidiary, completed the private placement of £11.85 million (Botswana Pula 150 million) of fixed rate unsecured notes. The notes have been priced at 14.0 percent annual interest with a maturity of 7 years

12. Asset retirement obligations

The Company estimates the total discounted amount of cash flows required to settle its asset retirement obligations at 30 September 2008 is £2,116,616 (2007 - £464,078). The estimate is based on the estimated 7 year open pit mine life, Botswana inflation estimate of 13% and a discount factor of 14% being the coupon on the Botswana interest bearing borrowings. 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.

13. Commitments

The primary contractual obligations of the Company relates to a possible commitment in respect of a termination payment and a payment guarantee to the mining contractor at the Mowana Mine. The termination payment is only payable in the event of early termination of the mining contract and may be reduced depending on the months notice given.

At 30 September 2008, commitments under such agreements total £11.2 million:

Contractual Obligations	Total	2008	2009	2010	2011	2012 and thereafter
	£'000	£'000	£'000	£'000	£'000	£'000
Goods, services and equipment ^(a)	990	874	116	-	-	-
Mining contract termination ^(b)	3,336	3,336	-	-	-	-
Mining contract bank guarantee ^(c)	3,950	-	3,950	-	-	-
Exploration licences ^(d)	583	-	425	79	79	-
Mining licence	8	-	1	1	1	5
Lease agreements ^(e)	253	70	143	40	-	-
Asset retirement obligations ^(f)	2,117	9	98	128	275	1,607
	11,237	4,289	4,733	248	355	1,612

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 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 £2.5 million, which payment may be reduced, depending upon the number of months notice given, to £nil upon 6 months notice, together with demobilization charges of approximately £0.83 million would be payable.

c) In respect of mining contract, the Company's subsidiary is required to obtain a bank guarantee by June 2009 in support of certain payment obligations in the mining contract. (See Note 6 – Other Non-Current Assets).

d) Under the terms of the Company's prospecting licences Matsitama is obliged to incur certain minimum expenditures.

e) The Company has entered into agreements for lease premises for various periods until 5 November 2010.

f) Please see Note 12 – Asset Retirement Obligations

14. Related party transactions

The following amounts were paid to companies in which directors of the group have an interest and were incurred in the normal course of operations and are recorded at their exchange amount;

	Nine Months Ended		Balance Outstanding at	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	31 Sept 2007
	£'000	£'000	£'000	£'000
Amount paid to Summit Resource Management Limited, a company controlled by D Jones, for the provision of fully serviced office accommodation in Canada and reimbursed expenses	57	59	-	4
On 1 July 2006 the Company entered into an agreement with Pickax International Corporation ("Pickax") to provide the services of Mr. Joseph Hamilton, a director and Chief Executive Officer of the Company. On 12 June 2008 the Company signed a Leaving Agreement (the "Agreement") with Pickax and Joseph Hamilton who resigned as a director and CEO of the Company and was paid £173,040 (inclusive of Canadian Goods & Services Tax) for compensation of loss of office	233	124	-	-
Amount paid to Aegis Instruments, Micromine and MGE Consulting, companies controlled by a director of a subsidiary, in respect of provision of geophysical and geological consulting, administration services and reimbursed expenses	72	-	49	-

15. Subsequent Events

On 12 November 2008 the Company announced it had exercised and sold all of its copper put options for proceeds of £3.0 million (US\$4.75 million). As copper traded above US\$3/lb for the period April to September 2008, the put options for these periods were not exercised.